RAJKUMAR FORGE LIMITED

CIN: L28910PN1990PLC056985

REGD. OFF.: OFFICE NO. 511 TO 513, GLOBAL SQUARE, S. NO. 247, 14B, YERAWADA, PUNE-411 006
PHONE NO. : 8956616160
EMAIL: info@rkforge.in
WEBSITE: www.rkforging.com

RFL/SEC/2019-20/77

August 20, 2019

The Manager,
BSE Limited,
Corporate Relationship Department,
1st Floor, New Trading Wing,
Rotunda Building, P. J. Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 513369

Dear Sir / Madam,

Subject: Submission of 29th Annual Report for the financial year 2018 - 19

Pursuant to the requirement of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, please find enclosed herewith 29th Annual Report of the Company for the Financial Year 2018 - 19 along with the Notice of Annual General Meeting.

The Annual Report for the Financial Year 2018 - 19 is uploaded on the website of the Company at http://www.rkforging.com/wp-content/uploads/2019/08/Rajkumar-Forge-Limited_29th-Annual-Report_2018-19.pdf

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **RAJKUMAR FORGE LIMITED**

RAJKUMAR FORGE LIMITED

Shruti Patil
Company Secretary
Membership No. : A40609

RAJKUMAR FORGE LIMITED

2018-2019

29TH ANNUAL REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Arun K. Jindal	Chairman - Non-Executive Director (DIN : 00121523)
Mr. Nitin Rajore	Whole Time Director (DIN : 01802633)
Mr. R. T. Goel	Non-Executive Director (DIN : 07663394)
Ms. Sudha Santhanam	Non-Executive Director (DIN : 06579108)

CHIEF FINANCIAL OFFICER

Mr. Shubham Jindal

COMPANY SECRETARY

Ms. Shruti Patil

REGISTERED OFFICE

Office No. 511 to 513,
Global Square, S. No. 247,
14B, Yerawada, Pune – 411 006
Phone : 8956616160
CIN : L28910PN1990PLC056985
Email : info@rkforge.in
Website : www.rkforging.com

FACTORY OFFICE

Gat No. 357, Kharabwadi,
Chakan – Talegaon Road,
Chakan – 410 501
Taluka – Khed, District - Pune
Phone : 91(02135) 671423 / 671424

STATUTORY AUDITORS

M/s. Gokhale, Tanksale and Ghatpande
Chartered Accountants

BANKERS

HDFC Bank
IndusInd Bank Limited

INTERNAL AUDITORS

Pradeep. K. Lodha & Co.
Chartered Accountants

SECRETARIAL AUDITORS

Gaurav Nashikkar
Practicing Company Secretary

SHARE TRANSFER AGENT

Link Intime India Pvt Limited
Block No. 202, Akshay Complex,
Near Ganesh Temple,
Off Dhole Patil Road, Pune - 411 001
Phone : 020 - 26160084, 26161629
Fax : 020 - 26163503
E-mail ID:pune@linkintime.co.in
Website:www.linkintime.co.in

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NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of Rajkumar Forge Limited will be held on Wednesday, September 18, 2019 at 11.00 a.m. at Poona Club Limited, 6, Bund Garden Road, Pune – 411 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arun Jindal, (DIN : 00121523) who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board
For RAJKUMAR FORGE LIMITED

Shruti Patil
Place: Pune **Company Secretary**
Date : July 17, 2019 **Membership No. : A40609**

NOTES:

1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. Proxies submitted on behalf of companies, societies, etc. must be supported by appropriate resolutions/ letter of authority as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.
2) A Proxy Form and Attendance Slip for the AGM are enclosed herewith.
3) Corporate Members intending to send their authorized representatives to attend the meeting in terms of Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the AGM.
4) Members/Proxies/ Authorized Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the AGM.
5) During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a Member is entitled to inspect the proxies lodged at any time during the business hours of the Company.
6) Queries on financial statements and/ or operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers may be made available at the AGM.
7) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the AGM. The Register contracts or arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the AGM.
8) Pursuant to the provisions of Section 91 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, September 12, 2019 to Wednesday, September 18, 2019** (both days inclusive).
9) Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, NECS mandates, Power of Attorney, change of address/name, etc. to their Depository Participant only. Changes intimated to the Depository Participants will be automatically reflected in the Company's record which will help the Company and its Registrar and Transfer Agent to provide efficient and better services.
10) Members / investors may contact the Company on the designated E-mail ID – secretarial@rkforge.in for faster action from the Company's end.
11) The appointment of M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants (Firm Registration No. 103277W), for a period of 5 years, to hold office till the conclusion of 32nd AGM subject to ratification at every AGM, was approved by the members at the 27th AGM held on September 27, 2017. MCA vide Companies (Amendment) Act, 2017 has amended Section 139(1) of Companies Act, 2013, wherein proviso requiring the Companies to ratify the appointment of Statutory Auditor every year has been omitted w.e.f. May 07, 2018. However, since the resolution passed on September 27, 2017 contains such requirement, the shareholders at 28th AGM held on September 26, 2018, approved the ratification of appointment of Statutory Auditors for the entire unexpired period. Accordingly, no such item has been considered in notice of the AGM.
12) The Company has paid the annual listing fees to the BSE Limited for the Financial Year 2019-20.
13) Non-Resident Indian Members are requested to inform the Company/Depository Participant, immediately of:
    a. Change in their residential status on return to India for permanent settlement.
    b. Particulars of their bank account maintained in India with complete bank name, branch, account type, MICR number, account number and address of the bank with pin code number, if not furnished earlier.
14) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Registrar & Transfer Agents.
15) SEBI had vide Notification No. SEBI/LAD-NRO/ GN/2018/24 dated June 08, 2018 and SEBI/LADNRO/GN/2018/49 dated November 30, 2018 read with BSE circular no. list/ comp/15/2018-19 dated July 05, 2018 directed that transfer of securities would be carried out in dematerialized form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However Members can continue to hold shares in physical form. Accordingly, Shareholders holding securities in physical form were separately communicated by the Link Intime India Private Limited (our RTA) vide three

letters sent on July 18, 2018 (by Registered Post), September 26, 2018 and December 11, 2018 (by Ordinary Post) at their registered address. In view of the above and to avail free transferability of shares and the benefits of dematerialization, members are requested to consider dematerialize shares held by them in physical form. Members may note that, Transfer deed(s) once lodged prior to April 1, 2019 and returned due to deficiency in the document may be re-lodged even after the April 1, 2019 with the office of Link Intime India Private Limited or at the Registered Office of the Company. The Company will abide by the guidelines issued by Statutory Authorities from time to time in the matter.

16) In terms of the "Green Initiative" undertaken to protect the environment and reduce the carbon foot print, the Company has commenced sending various communications to the Members through electronic mode. Based on the communication made in this behalf by the Company, the Annual Report for the financial year including the Notice for AGM is being sent in an electronic form to those Members whose e-mail IDs have been registered with the Depositories / Registrar and Transfer Agent. For the Members who have not registered their email address, physical copy of the Annual Report is being sent in permitted mode. The same will also be available on the website of the Company, i.e. www.rkforging.com. We would also like to clarify that the Members still shall be entitled to receive physical copies by making a specific request for the same at any point of time.

17) To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Link Intime or their Depository Participants, in respect of shares held in physical or electronic mode respectively.

19) Members are requested to notify any change in their email ID or bank mandates or address to the Company and always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the Company. In respect of holding in electronic form, Members are requested to notify any change of email ID or bank mandates or address to their Depository Participants.

19) Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 with the Company. Blank forms will be supplied on request.

20) Members who still hold share certificates in physical form are advised to dematerialize the shareholding to avail the benefits of dematerialization.

21) **Voting through electronic means:**

The complete details of the instructions for e-voting are annexed to this Notice. These details form an integral part of the Notice.

22) The route map for the venue of Annual General Meeting forms part of this notice.

23) All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on all working days up to date of the AGM.

ANNEXURE RELATING TO ITEM NO. 2 OF THE NOTICE :

The details of Director seeking appointment / re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India, are furnished below:-

Name of Director	Mr. Arun Jindal		
DIN	00121523		
Date of birth and age	November 11, 1960 and 58 years.		
Date of appointment	December 01, 2016		
Expertise in specific Professional areas	Over 37 years of experience particularly in forging industry.		
Qualification	B.E. (Mechanical)		
List of other Indian Public Limited Companies in which Directorship held as on March 31, 2019	NIL		
Chairman/ Member of the Committee of Board other than Public Limited Companies as on March 31, 2019	Western India Forgings Private Limited	Corporate Social Responsibility Committee	Chairman
	Western India Forgings Private Limited	Vigil Mechanism Committee	Member
Terms and conditions of re-appointment	Entitled for sitting fees only.		
Sitting fees paid during the financial year 2018-19	₹ 2.40 lacs		
Remuneration proposed to be paid	Mr. Jindal being non-executive director is eligible only for sitting fees which are decided by the Board from time to time.		
Number of Meetings of the Board attended during the Year	7		
Number of Shares held in the Company as at March 31, 2019	7,00,000 shares		
Relationship between Directors inter-se	Not related to any Director of the Company.		

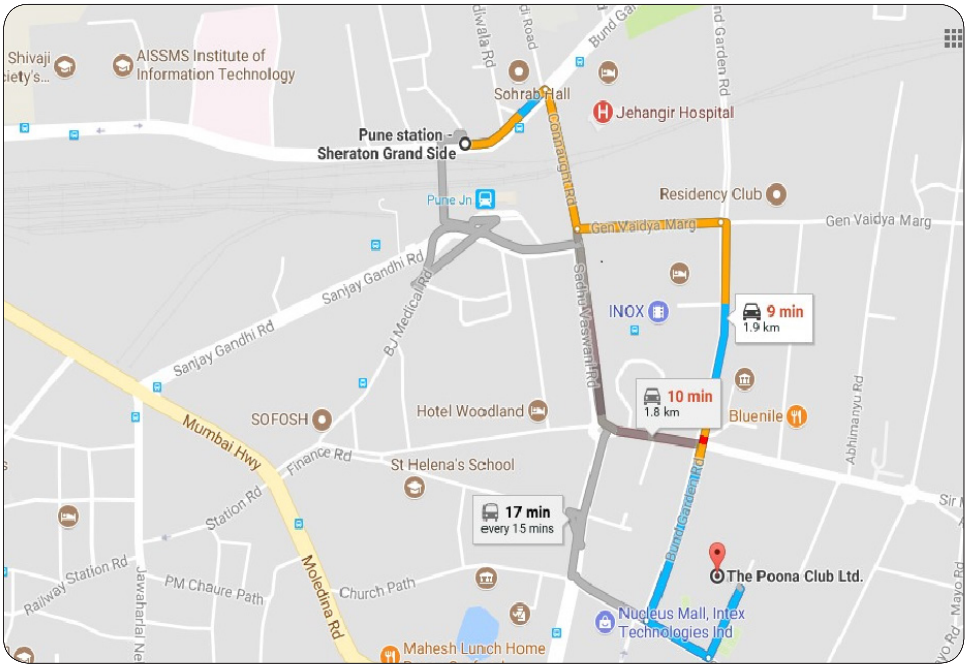
By Order of the Board
For RAJKUMAR FORGE LIMITED

Shruti Patil
Company Secretary
Membership No. : A40609

Place: Pune
Date : July 17, 2019

Registered Office:
Office No. 511 to 513, Global Square, S. No. 247, 14B, Yerawada, Pune – 411 006
CIN : L28910PN1990PLC056985; Email : info@rkforge.in

AGM VENUE ROUTE MAP



THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). The facility for voting through ballot/ polling will also be made available at the venue of the AGM. Members who have voted electronically through remote e-voting may attend the AGM but shall not be allowed to vote at the AGM.

Procedure / Instructions for e-voting are as under:

The instructions for shareholders voting electronically are as under:

(i) The remote e-voting period begins on Sunday, September 15, 2019 (9:00 a.m. IST) and ends on Tuesday, September 17, 2019 (5:00 p.m. IST). 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 Wednesday, September 11, 2019 may cast their vote electronically. The remote 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) • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr. no affixed on Annual Report, in the PAN field.

	For Members holding shares in Demat Form and Physical Form
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. • 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 Rajkumar Forge Limited 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 June 30, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

a. 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.

b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c. 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.

d. 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.

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

(xx) 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.

(xxi) In case of any grievances in connection with voting by electronic means the shareholders can contact Ms. Shruti Patil, Company Secretary at her email at secretarial@rkforge.in or contact her at 8956616160.

(xxii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves, link their account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution/Authority letter in PDF format in the system for the scrutinizer to verify the same. Further, they are requested to send the scanned copy of the Board Resolution/ Authority letter to the email id of Scrutinizer (nashikkargaurav07@gmail.com), RTA (sandip.pawar@linkintime.co.in) and Company (invest@rkforge.in).

Mr. Gaurav Nashikkar, Practicing Company Secretary (C.P. No. 13967) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Results shall be declared within 48 hours after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date, subject to receipt of the requisite number of votes in favor of the resolutions. The results declared along-with the Scrutinizer's Report shall be placed on the website of the Company at www.rkforging.com and on the website of CDSL at www.evotingindia.com and the same shall also be communicated to BSE Limited.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

About Rajkumar Forge

Rajkumar Forge is a leading Open Die Forging facility catering to the cross section of the industry from Oil and Gas to Infrastructure to Power transmission, mining and construction. It has been serving the export market in a major to Oil and Gas major players of the world. The company has the best of names in the domestic industry as their customers. Rajkumar Forge covers virtually every sector of the industry wherever high quality forgings are required. The company has a world class facility with best in house processes to deliver the highest quality to the most demanding customer. The Company has safety as its top priority and has several qualifications and certifications.

Economic Overview as to Global Economy and Indian Economy

Currently the entire economy Globally and Indian are in a state of consolidation and probably trying to absorb capacity build up in manufacturing while facing lower demands for the products manufactured. There seems to be a huge shake up in the way the consumer is looking at spending. While service industry is on the move due to huge demand in upgradation of systems and introducing latest data technology like Artificial Intelligence. Manufacturing is definitely going through a slow down due to huge capacities and less demand as mentioned earlier. Pricing is also a major issue where the demand has seen a slowdown. Procurement prices have come down drastically while raw prices stay firm. We feel once out of this phase market will look upwards with a renewed momentum as the excess is the system would have shed.

The global scenario is of course governed by Tariff wars and frequent changes in policies of various governments. The US Iran factor is a major cause of concern. The slowdown in China too can have its cascading effect as they are desperately seeking newer markets at the cost of domestic business.

India Forging Industry

The Indian forging Industry has its own share of troubles with raw prices refusing to relent and customer demanding very competitive pricing on forged products. Thus the industry has to reinvent its process systems keeping in demand with competitive pricing and high quality demands of the end user market. It is a challenging time for the Indian Forging Industry as financing from banks come with many riders and stricter compliances. Good Raw suppliers are still in demand and control the pricing. Smaller forge shops are definitely feeling the brunt of the slow down. Auto industry adding to the woes of this sector of forgers. Forging industry in general is in a shakeup mode too and has challenges to overcome in times to come. Indian Forging Industry is however recognized as key forging supplier to world markets due its quality and ability to address diverse needs.

Outlook

We have confidence in the future of the Indian Economy. Looking ahead things will improve consumption will increase. As India has been gearing up for Make in India, the efforts will start yielding results. Raw prices are softening in line with the International prices thus making the Indian steel mills more proactive in local demands. The Government is making some serious changes in the right direction this will add to growth in Infrastructure. Better manufacturing practices and Global adaptation of quality requirements will catapult Indian business to the next level.

Opportunities and Threats

The oil and Gas industry is major sourcing sector of forgings from India. With the Oil prices firming up the demand for infrastructure ramp up for oil exploration is on the rise. Less reliability on China due to quality is a major advantage India needs to capitalize on. The infrastructure industry is likely to see a major growth due to increase in Government spending on Infrastructure projects. Other heavy industry and equipment manufactures will also see a demand for their products thus in turn Benefitting the forging Industry.

The slowdown in Automobile industry will have a long term impact on the Forging Industry. The Oncoming of the EV will also impact the industry in a big way. Raw prices will remain firm which will make the forging products less attractive in pricing to the international market. Cheaper credit and easily available finance remains a big challenge and definitely hamper growth and the bottom line. Extending payment terms and overdue receipts add to the financial cost which is a major issue for the existence of smaller players.

Key Risk to business and Concerns and Steps taken to mitigate impact of risk

Major risk factors are:

- Dependency on Oil and Gas industry.
- Availability of Good quality Raw at competitive pricing and on time delivery.
- Frequent changes in Government policies.
- Cost of Finance and availability of quick Financing options.
- Shortage of skilled workforce in the forging Industry.
- Frequent shutdown in Electricity supply from the local Board.

At Rajkumar Forge Ltd, we are constantly reviewing the situation to take on any eventuality. A constant analysis and planning is in place to mitigate risks as mentioned above.

Internal Control Systems and their Adequacy

At Rajkumar Forge we are aiming to be system driven to avoid any human errors. Regular system audits and internal audits in all modules of the manufacture is constantly carries out. A strong maker and checker system is in place. Efforts are made to buy the best quality at the best price by constantly engaging with existing suppliers and also sourcing new ones.

Financial and Operational Performance

A very tight control is maintained in the cash flow of the Company. Constant efforts are made to recover dues on time. We have established good credit line with our bankers to meet all our financing needs. Creditors are paid in time and constant cost cutting measures in place.

Operations at Rajkumar Forge are of very high standards. With a focused and committed workforce all systems are followed in line with our group philosophy of high manufacturing standards. Equipment's are constantly upgraded and preventive maintenance is the key to avoid any breakdowns and loss in production hours. At Rajkumar Forge or operational strength is comparable with the best in the industry.

Manpower Developments and Human resource /Industrial Relations

The company is constantly upgrading the skills of the employees through training. New talent is being introduced in the team to enhance performance and bring in new thoughts. At Rajkumar we have a very good working relationship with the workers. The atmosphere is cordial and very conducive. The performance are bottom driven through a very highly motivated workforce.

Medium and Long Term Strategy

When the changeover of the management took place in 2017 the new management with its vast experience in the Forging Industry transformed the work culture and achieved record performance levels in the first year itself. The management will carry this momentum forward by increasing forging capacity, add new testing equipment, Heat treatment facility etc. In the long term the company will look into adding additional capacity depending on the prevailing market conditions.

Cautionary Statement

Statements in the management discussions and analysis section describing company's projections, estimations, expectations and predictions may be 'forward looking statements' within the meaning of applicable securities, laws and regulations. Actual results could defer materially from the expressed or implied ones. Important factors that would make the difference in the company's operations include demand supply conditions raw material and other cost escalations, changes in government regulations and tax regimes, competition, economic developments within and outside the country etc.

Key Financial Ratios

Sr. No.	Ratios	March 31, 2019	March 31, 2018	% Change
1	Debtors Turnover Ratio	5.86	5.45	7.57
2	Inventory Turnover Ratio	10.04	12.69	(20.89)
3	Interest Coverage Ratio	5.72	3.04	87.86
4	Current Ratio	1.33	1.26	5.47
5	Debt Equity Ratio	0.72	0.62	15.27
6	Operating Profit Margin (%)	10.10	9.83	2.78
7	Net Profit Margin (%)	3.33	1.24	53.54

1. Optimum utilization of available resources & effective cash flow management has resulted into less interest cost leading to better interest coverage ratio in financial year 2018-19 as compared to financial year 2017-18.
2. An increase in total revenue with constant fixed cost has resulted into improved net profit margin in financial year 2018-19 as compared to financial year 2017-18.

For and on behalf of the Board of Directors
RAJKUMAR FORGE LIMITED

Arun Jindal
Place : Pune **Chairman**
Date : July 17, 2019 **DIN : 00121523**

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Twenty Ninth Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS: **(₹ in Lakhs)**

Particulars	31.03.2019	31.03.2018
Revenue	6153.49	2,932.26
Expenses excluding Interest and Depreciation & Amortization	5437.06	2670.85
Profit for the year before Interest, Depreciation & Amortization	716.43	261.41
Less : Interest Cost for the year	78.57	68.82
Less : Depreciation & Amortization	121.78	116.32
Gross Profit for the year	516.08	76.27
Less : Exceptional Items	125.91	-
Profit for the year after Exceptional Items	390.17	76.27
Add/(Less) Provision for Income Tax	(82.15)	(13.35)
Add/(Less) Deferred Tax	(99.84)	(20.40)
Net Profit for the period	208.18	42.52

DIVIDEND:

In view of proposed expansion plans and working capital requirements of the Company, your Directors do not recommend a Dividend for the financial year ended March 31, 2019.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During financial year 2018-19, there was no change in the nature of Company's business.

SHARE CAPITAL:

There was no change in the authorized as well as paid up share capital of the Company during the year under review.

The current Authorized Capital of the Company is ₹ 13,25,00,000/- divided into 1,25,00,000 Equity shares of ₹ 10/- each and 7,50,000 4% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each and Paid-up Capital of the Company is ₹ 10,93,94,000/- divided into 1,09,39,400 Equity Shares of ₹ 10/- each.

TRANSFER TO RESERVES:

During the year, the Company has not transferred any amount to General Reserves.

OPERATIONS AND STATE OF AFFAIRS:

During the financial year under review, Company registered a total revenue from operations ₹ 6141.10 Lakhs as against ₹ 2917.30 Lakhs in the previous year. Export sales were marginally lower from ₹ 136.01 Lakhs achieved in previous year to ₹ 132.93 Lakhs. With the Company's focus on growth and cost reduction efforts has helped the Company to earn profit of ₹ 204.73 Lakhs for the year ended March 31, 2019 as against net profit of ₹ 36.29 Lakhs in the previous year.

The affairs of the Company are functioning smoothly and appropriately in compliance with all the applicable laws and regulations.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company is not having net worth of Rupees Five Hundred Crores or more, or turnover of Rupees One Thousand Crores or more or a Net Profit of Rupees Five Crores or more during any financial year. As such, the provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

In view of the above, no provision for CSR activity have been made during the financial year 2018-19.

VIGIL MECHANISM:

The Company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and Directors to report to the Audit Committee Chairman, genuine concerns, unethical behavior and irregularities, if any, noticed by them in the Company, which could adversely affect company's operations. This mechanism also provides safeguards against victimization of employees, who avail of the mechanism. The details of the same are explained in the Corporate Governance Report and also posted on the website of the Company at http://www.rkforging.com/wp-content/uploads/2017/04/WHISEL-BLOWER-POLICY-1.pdf.

All Directors and employees have access to the Chairman of the Audit Committee. The policy with the name and address of Chairman of the Audit Committee has been circulated to the employees. Further no personnel have been denied access to the Audit Committee during the period under review.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits from the public falling within the purview of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

DETAILS OF BOARD MEETINGS:

The Board met 8 times during the financial year. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum gap between any two meetings did not exceed 120 days, as prescribed under the Companies Act, 2013.

COMMITTEES OF THE BOARD:

As on March 31, 2019, the Board had five committees : the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder Relationship Committee, the Share Transfer Committee and the Committee for issue of Duplicate Share Certificate.

The detailed note on composition of the Board and its committees is provided in the Corporate Governance annexure to this Report.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RE-APPOINTMENT OF DIRECTOR:

As per the provisions of Companies Act, 2013, Mr. Arun Jindal, retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

DIRECTORS AND KEY MANEGERIAL PERSONNEL:

The details of Directors and Key Managerial Personnel are as follows:

Sr. No.	Name	Designation
1	Mr. Arun K. Jindal	Non-Executive Director
2	Mr. Nitin Rajore	Whole Time Director
3	Mr. R. T. Goel	Non-Executive Director
4	Ms. Sudha Santhanam	Non-Executive Director
5	Mr. Shubham Jindal	Chief Financial Officer
6	Ms. Shruti Patil	Company Secretary

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANY:

The Company does not have any subsidiary, joint venture and associate company during the year under review.

FORMAL ANNUAL EVALUATION:

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the guidance note issued by SEBI on January 05, 2017, a formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for financial year 2018-19. Led by the Nomination & Remuneration Committee, the evaluation was carried out using individual questionnaires covering, amongst others, composition of Board, conduct as per Company values & beliefs, contribution towards development of strategy & business plan, risk management, receipt of regular inputs and information, codes & policies for strengthening governance, functioning, performance & structure of Board Committees, skill set, knowledge & expertise of Directors, preparation & contribution at Board meetings, leadership etc.

Manner in which the evaluation has been carried out and matters incidental thereto, have been detailed in the Report on Corporate Governance, which forms part of this report.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR:

The Company has adopted the Guidelines on Board Effectiveness ("Governance Guidelines" or "guidelines") which inter-alia cover the criteria for determining qualifications, attributes and independence of a Director. The details of the Policy are stated in the Corporate Governance Report.

RELATED PARTY TRANSACTIONS:

The information for related party transactions as required under Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is enclosed as '**Annexure A'** to this Report. The policy on Related Party Transaction as approved by the Board has been displayed on the Company's website at http://www.rkforging.com/wp-content/uploads/2017/05/RELATED-PARTY-TRANSACTION-POLICY.pdf

There has been no change to the policy of Related Party Transaction during the financial year ended March 31, 2019.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

a. The sum of ₹ 8,76,800 /- being the amount of unpaid or unclaimed dividend for a period of seven years was transferred during the financial year 2018-19 to the Investor Education and Protection Fund established by the Central Government in compliance with Section 124 of the Companies Act, 2013.

b. During the year under review, the Company has transferred 48,101 shares to the Investor Education and Protection Fund in accordance with the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules').

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

There were no loans, guarantees and investments made by the Company under Section 186 of the Companies Act, 2013 during the period under review.

DEPOSITS:

The Company has not accepted deposits under Chapter V of the Companies Act, 2013 during the year under review. No amount on account of principal or interest on deposit from public was outstanding as on March 31, 2019.

INTERNAL FINANCIAL CONTROLS:

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business by virtue of internal audit of the Company. Internal Audits are periodically conducted by an external firm of Chartered Accountants who monitor and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Board also take quarterly review of internal audit functioning and accounting systems, in order to take suitable corrective actions in case of any deviations. During the year, such controls were tested and no material weakness in their design of operations were observed.

CORPORATE GOVERNANCE CERTIFICATE:

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report on Corporate Governance along with the Compliance certificate from the Secretarial Auditor forms part of this Report.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT 9 is annexed as an **'Annexure B'** to this Report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material change and/or commitment affecting the financial position of your Company has occurred between April 1, 2019 and the date of signing of this Report.

AUDITORS:

Statutory Auditors

M/s. Gokhale Tanksale & Ghatpande, Chartered Accountants, Pune (Firm Registration No. 103277W) was appointed as the Statutory Auditors of the Company to hold office for a period of 5 consecutive years from the conclusion of 27th Annual General Meeting of the Company held on September 27, 2017 till the conclusion of the 32nd Annual General Meeting of the Company to be held in financial year 2022-23.

Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each Annual General Meeting has been done away with. Accordingly, the shareholders at their 28th Annual General Meeting had given their consent to continue the appointment of M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants (Firm Registration No. 103277W) as Statutory Auditors of the Company for the remaining of term without any further ratification by the members in terms of the provisions of the Companies Act, 2013.

The Statutory Auditors' Report for Financial Year 2018-19 on the financial statement of the Company forms part of this Annual Report.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors' in their audit report on the financial statements for the year ended March 31, 2019. The observations of the Statutory Auditors' in their Report are self-explanatory and therefore Directors don't have any further comments to offer on the same.

Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed Mr. Gaurav Nashikkar, Practicing Company Secretary (CP No. 13967) for conducting the Secretarial Audit of the Company for the financial year 2018-19.

The Report of the Secretarial Audit is annexed herewith as an **'Annexure C'** to this Report.

Pursuant to recent amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. LIST/ COMP/14/2018 dated June 20, 2018, a certificate from Gaurav Nashikkar, Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority is annexed to Corporate Governance Report.

COST RECORDS AND / OR COST AUDIT:

Your Company does not fall under provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Record and Audit) Rules, 2014. Therefore, no such records were required to be maintained.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the Statutory Auditors' nor the Secretarial Auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITORS IN THEIR REPORTS:

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

RISK MANAGEMENT:

The details of Risk Assessment framework are set out in the Corporate Governance Report forming part of the Board's Report.

DISCLOSURE UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION), RULES, 2014:

The information required pursuant to Section 197 Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration), Rules, 2014 in respect of employees of the Company and Directors is attached as an '**Annexure D'**.

PERSONNEL:

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2)(i) to (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not provided herein, since there are no employee who have received remuneration in excess of the limits prescribed therein.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed herewith as '**Annexure E'** to this report.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company is compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE:

Your Company has adopted policy on prevention, prohibition and redressal of sexual harassment at work place, in line of the provisions of the Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The policy aims to provide protection to employees at the work place and to prevent and redress complaints of sexual harassment and for matters connected and incidental thereto, with an objective of providing a safe working environment where employees feel secured. The company has not received any complaints during the financial year 2018-19.

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:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that we had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
3. that we had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that we had prepared the annual accounts on going concern basis;
5. and that we had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively;
6. that we had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT:

We thank our customers, vendors, investors, bankers and employees for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board of Directors
RAJKUMAR FORGE LIMITED

Arun Jindal
Chairman
DIN : 00121523

Place : Pune
Date : July 17, 2019

Annexure A

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

   There are no related party contracts, arrangements or transactions of the nature mentioned in sub-section (1) of Section 188 of the Companies Act, 2013 which are not at arm's length.

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

SR. NO	PARTICULARS	DETAILS
1	**Name of the related party**	Western India Forgings Private Limited including Kran Rader (A division of Western India Forgings Private Limited)
2	**Nature of relationship**	Holding Company
3	**Nature of contract/ arrangement/ transaction**	a. Sale / purchases of forgings, payment of Labour charges. b. Payment of rent.
4	**Duration of contract/arrangement/ transaction**	a. As per the purchase order. b. On-going basis, as per the Agreement, tenure commencing from January 01, 2019.
5	**Salient terms of the contract or arrangement or transaction**	a. Payment conditions, terms of delivery, applicability of taxes shall be as per the purchase order. Estimated annual value of ₹ 25 crore as approved by the Board. b. Terms shall be as per the Agreement executed between the parties dated January 01, 2019. Estimated annual value of ₹ 4.5 lakhs.
6	**Date of approval by the Board, if any**	a. 26.05.2018 b. 03.11.2018
7	**Amount paid as advances, if any**	NIL

For and on behalf of the Board of Directors
RAJKUMAR FORGE LIMITED

Arun Jindal
Chairman
DIN : 00121523

Place : Pune
Date : July 17, 2019

Annexure B

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

For the financial year ended on March 31, 2019
[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L28910PN1990PLC056985
2.	Registration Date	June 22, 1990
3.	Name of the Company	Rajkumar Forge Limited
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	Office No. 511 to 513, Global Square, S. No. 247, 14B, Yerawada, Pune-411006 Telephone No. - 8956616160 Email : secretarial@rkforge.in Website : http://www.rkforging.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. Block No. 202, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411001 Phone: (020) 26160084, (020) 26161629 Email: pune@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Forging, pressing, stamping and roll-forming of metal; powder metallurgy	2591	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Western India Forgings Private Limited Registered Office : Gat No. 163, Off Nagar Road, Sanaswadi, Tal-Shirur Pune-412208	U28910PN1981PTC024155	Holding Company	65.82%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding as on March 31, 2019

Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2018]				No. of Shares held at the end of the year [As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	625000	280900	905900	8.28	725151	0	725151	6.63	**(1.65)**
b) Central Govt.	0	0	0	0	0	0	0	0.00	**0.00**
c) State Govt.(s)	0	0	0	0	0	0	0	0.00	**0.00**
d) Bodies Corp.	6997218	0	6997218	63.96	7200618	0	7200618	65.82	**1.86**
e) Banks / FI	0	0	0	0	0	0	0	0.00	**0.00**
f) Any other	0	0	0	**0**	0	0	0	0.00	**0.00**
Sub-total (A)(1):-	**7622218**	**280900**	**7903118**	**72.24**	**7925769**	**0**	**7925769**	**72.45**	**0.21**

Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2018]				No. of Shares held at the end of the year [As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	101500	101500	0.93	0	0	0	0	**(0.93)**
b) Government	0	0	0	0	0	0	0	0	**0.00**
c) Institutions	0	0	0	0	0	0	0	0	**0.00**
d) Foreign Portfolio Investor	0	0	0	0	0	0	0	0	**0.00**
e) Others (specify)	0	0	0	0	0	0	0	0	**0.00**
Sub-total (A)(2):-	**0**	**101500**	**101500**	**0.93**	**0**	**0**	**0**	**0**	**(0.93)**
Total shareholding of Promoter (A)=(A)(1)+ (A)(2)	**7622218**	**382400**	**8004618**	**73.17**	**7925769**	**0**	**7925769**	**72.45**	**(0.72)**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	**0.00**
b) Banks / FI	0	100	100	0.00	0	100	100	0.00	**0.00**
c) Central Govt	0	0	0	0.00	0	0	0	0.00	**0.00**
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	**0.00**
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	**0.00**
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	**0.00**
g) FIIs	0	0	0	0.00	0	0	0	0.00	**0.00**
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	**0.00**
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	**0.00**
Sub-total (B)(1):-	**0**	**100**	**100**	**0.00**	**0**	**100**	**100**	**0.00**	**0.00**
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	0	0	0	0.00	0	0	0	0.00	**0.00**
ii) Overseas	0	0	0	0.00	0	0	0	0.00	**0.00**
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹2 lakh	844382	1124700	1969082	18.00	901432	979500	1880932	17.19	**(0.81)**
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	158719	71600	230319	2.11	290141	94100	384241	3.51	**1.40**
c) Others (specify)									
HUF	35444	0	35444	0.32	29275	0	29275	0.27	**(0.05)**
Non-Resident Indians	3301	0	3301	0.03	3668	0	3668	0.03	**0.00**
Bodies Corporate	149361	6600	155961	1.43	123655	6600	130255	1.19	**(0.24)**
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	**0.00**
Clearing Members	6275	0	6275	0.06	2759	0	2759	0.03	**(0.03)**
Trusts	0	0	0	0.00	0	0	0	0.00	**0.00**
Foreign Bodies -D R	0	0	0	0.00	0	0	0	0.00	**0.00**
Investor Education and Protection Fund Authority	534300	0	534300	4.88	582401	0	582401	5.32	**0.44**
Sub-total (B)(2):-	**1731782**	**1202900**	**2934682**	**26.83**	**1933331**	**1080200**	**3013531**	**27.54**	**0.71**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1731782**	**1203000**	**2934782**	**26.83**	**1933331**	**1080300**	**3013631**	**27.54**	**0.71**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**9354000**	**1585400**	**10939400**	**100**	**9859100**	**1080300**	**10939400**	**100**	**0.00**

B) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on March 31, 2018]			Shareholding at the end of the year [As on March 31, 2019]			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Western India Forgings Private Limited	6997218	63.96	0.00	7200618	65.82	0.00	1.86
2	Arun Krishankumar Jindal	600000	5.48	0.00	700000	6.40	0.00	0.92
3	Krishankumar Brijlal Jindal	25000	0.23	0.00	25000	0.23	0.00	0.00
4	Shruti Arun Jindal	0	0	0.00	51	0.00	0.00	0.00
5	Shubham Arun Jindal	0	0	0.00	100	0.00	0.00	0.00
6	Anil Annash Kothavale*	171500	1.56	0.00	0	0	0.00	(1.56)
7	Shashikant Kothavale*	55400	0.51	0.00	0	0	0.00	(0.51)
8	Tripti Ravindra Kothavale*	50000	0.46	0.00	0	0	0.00	(0.46)
9	Basava Kothavale*	4000	0.04	0.00	4000	0.04	0.00	(0.00)
10	Avinash Annash Kothavale*	51500	0.47	0.00	0	0	0.00	(0.47)
11	Manu Kothavale*	50000	0.46	0.00	0	0	0.00	(0.46)
	TOTAL	**8004618**	**73.17**	**0.00**	**7929769**	**72.49**	**0.00**	**(0.68)**

* BSE Limited vide its approval letter no. LIST/COMP/MI/1051/2018-19 dated January 01, 2019 approved the reclassification of these Shareholders from Promoter & Promoter Group category to Public category.

C) Change in Promoters' Shareholding

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Western India Forgings Private Limited	6997218	63.96	16.04.2018 01.10.2018 31.03.2019	278400 (75000)	Purchase Sale	7275618 7200618 7200618	66.51 65.82 65.82
2	Arun Krishankumar Jindal	600000	5.48	16.04.2018 31.03.2019	100000	Purchase	700000 700000	6.40 6.40
3	Krishankumar Brijlal Jindal	25000	0.23	No change			25000	0.23
4	Shubham Arun Jindal	0	0.00	21.09.2018 31.03.2019	100	Purchase	100 100	0.00 0.00
5	Shruti Arun Jindal	0	0.00	18.01.2019 31.03.2019	51	Purchase	51 51	0.00 0.00
6	Anil Annash Kothavale*	171500	1.56	16.04.2018 31.03.2019	(171500) 0	Sale	0	0.00
7	Shashikant Kothavale*	55400	0.51	16.04.2018 31.03.2019	(55400) 0	Sale	0	0.00
8	Tripti Ravindra Kothavale*	50000	0.46	30.04.2018 31.03.2019	(50000) 0	Sale	0	0.00
9	Basava Kothavale*	4000	0.04	No change			4000	0.04
10	Avinash Annash Kothavale*	51500	0.47	16.04.2018 31.03.2019	(51500) 0	Sale	0	0.00
11	Manu Kothavale*	50000	0.46	30.04.2018 31.03.2019	(50000) 0	Sale	0	0.00

* BSE Limited vide its approval letter no. LIST/COMP/MI/1051/2018-19 dated January 01, 2019 approved the reclassification of these Shareholders from Promoter & Promoter Group category to Public category.

D) **Shareholding Pattern of top ten Shareholders**

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

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Investor Education and Protection Fund Authority	534300	4.88	26.12.2018	48101	Transfer	582401	5.32
				31.03.2019			582401	5.32
2	Mahendra Girdharilal	50192	0.46	21.09.2018	(850)	Sale	49342	0.45
				19.10.2018	(17394)	Sale	31948	0.29
				26.10.2018	(5530)	Sale	26418	0.24
				31.03.2019			26418	0.55
3	Nitin Shyam Rajore	500	0.00	01.10.2018	75000	Purchase	75500	0.69
				31.03.2019			75500	0.69
4	Aparna Samir Thakker	0	0.00	18.10.2018	60000	Purchase	60000	0.55
				31.03.2019			60000	0.55
5	Tradelink Exim India Private Limited	51785	0.47	21.09.2018	6666	Purchase	58451	0.53
				12.10.2018	(11945)	Sale	46506	0.42
				22.03.2019	2950	Purchase	49456	0.45
				31.03.2019			49456	0.45
6	Rajiv Mehta	0	0.00	31.12.2018	30000	Purchase	30000	0.27
				31.03.2019			30000	0.27
7	Sharekhan Limited	45100	0.41	06.04.2018	99	Purchase	45199	0.41
				13.04.2018	(4085)	Sale	41114	0.37
				20.04.2018	50	Purchase	41164	0.37
				27.04.2018	10	Purchase	41174	0.37
				11.05.2018	102	Purchase	41276	0.37
				18.05.2018	955	Purchase	42231	0.38
				25.05.2018	2100	Purchase	44331	0.40
				08.06.2018	3980	Purchase	48331	0.44
				20.07.2018	1000	Purchase	49311	0.45
				27.07.2018	(1000)	Sale	48311	0.44
				31.08.2018	10	Purchase	48321	0.44
				07.09.2018	(981)	Sale	47340	0.43
				14.09.2018	(3050)	Sale	44290	0.40
				29.09.2018	(500)	Sale	43790	0.40
				05.10.2018	100	Purchase	43890	0.40
				12.10.2018	(540)	Sale	43350	0.39
				19.10.2018	(60)	Sale	43290	0.39
				26.10.2018	(1)	Sale	43289	0.39
				02.11.2018	(50)	Sale	43239	0.39
				09.11.2018	(828)	Sale	42411	0.38
				16.11.2018	(971)	Sale	41440	0.37
				23.11.2018	474	Purchase	41914	0.38
				30.11.2018	(484)	Sale	41430	0.37
				14.12.2018	(400)	Sale	41030	0.37
				21.12.2018	(100)	Sale	40930	0.37
				28.12.2018	(500)	Sale	40430	0.36
				18.01.2019	50	Purchase	40480	0.37
				25.01.2019	70	Purchase	40550	0.37
				01.02.2019	480	Purchase	41030	0.37
				15.02.2019	5	Purchase	41035	0.37
				22.02.2019	(12005)	Sale	29030	0.26
				29.03.2019	2	Purchase	29032	0.26
				31.03.2019			29032	0.26
8	Patodia Forgings And Gears Limited	14295	0.13	06.04.2018	100	Purchase	14395	0.13
				18.05.2018	100	Purchase	14495	0.13
				13.07.2018	10243	Purchase	24738	0.22
				20.07.2018	600	Purchase	25338	0.23
				27.07.2018	1100	Purchase	26438	0.24
				10.08.2018	620	Purchase	27058	0.24
				24.08.2018	550	Purchase	27608	0.25
				31.03.2019			27608	0.25

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
9	Sushila Siyamani Chowbey	2500	0.02	04.05.2018	802	Purchase	3302	0.03
				22.06.2018	112	Purchase	3414	0.03
				06.07.2018	(3414)	Sale	0	0.00
				29.09.2018	13950	Purchase	13950	0.12
				12.10.2018	5000	Purchase	18950	0.17
				09.11.2018	1500	Purchase	20450	0.18
				08.02.2019	2000	Purchase	22450	0.20
				15.02.2019	5000	Purchase	27450	0.25
				22.02.2019	5	Purchase	27455	0.25
				31.03.2019			27455	0.25
10	Samir Arvind Thakkar	600000	0.55	12.10.2018	(27668)	Sale	32332	0.29
				19.10.2018	(17241)	Sale	15091	0.13
				26.10.2018	(15091)	Sale	0	0.00
				31.03.2019			0	0.00
11	Competent Finman Private Limited	30000	0.27	31.12.2018	(30000)	Sale	30000	0.00
				31.03.2019			0	0.00

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Arun Krishankumar Jindal	600000	5.48	16.04.2018	100000	Purchase	700000	6.40
				31.03.2019			700000	6.40
2	Nitin Shyam Rajore	500	0.00	01.10.2018	75000	Purchase	75500	0.69
				31.03.2019			75500	0.69
3	Ratanlal Tikaram Goel	0	0.00	-	-	-	0	0.00
4	Sudha Santhanam	0	0.00	-	-	-	0	0.00
5	Shubham Arun Jindal	0	0.00	21.09.2018	100	Purchase	100	0.00
				31.03.2019			100	0.00
6	Shruti Patil	0	0.00	-	-	-	0	0.00

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	499.96	-	-	**499.96**
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	499.96	**-**	**-**	**499.96**
Change in Indebtedness during the financial year				
* Addition	458.11	-	-	**458.11**
* Reduction	499.96	-	-	**499.96**
Net Change	**41.85**	**-**	**-**	**41.85**
Indebtedness at the end of the financial year				
i) Principal Amount	458.11	-	-	**458.11**
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**458.11**	**-**	**-**	**458.11**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Nitin Rajore	
1	Gross salary	33.60	33.60
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify…	-	-
5	Others, please specify Drivers Salary Gratuity	 1.89 1.61	 1.89 1.61
	Total (A)	**37.10**	**37.10**
	Ceiling as per the Act	10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.	

B. Remuneration to other directors:

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		R. T. Goel	Sudha Santhanam	
1	**Independent Directors**			
	Fee for attending board and committee meetings	2.40	2.40	4.80
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	**2.40**	**2.40**	**4.80**
2	**Other Non-Executive Directors**	**Arun Jindal**		
	Fee for attending board and committee meetings	2.40		2.40
	Commission	-		-
	Others, please specify	-		-
	Total (2)	**2.40**		**2.40**
	Total (B)=(1+2)			**7.20**
	Total Managerial Remuneration			**7.20**
	Overall Ceiling as per the Act	1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.		

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

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shubham Jindal (Chief Financial Officer)	**Shruti Patil (Company Secretary)**	**Total**
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.00	5.96	11.96
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total	**6.00**	**5.96**	**11.96**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors
RAJKUMAR FORGE LIMITED

Arun Jindal
Chairman
DIN : 00121523

Place : Pune
Date : July 17, 2019

Annexure C

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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 and Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Rajkumar Forge Limited
Office No 511 to 513, Global Square, Yerawada,
Pune – 411006

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations, wherever applicable;

(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:

(not applicable to the Company during the Audit Period);

(b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2009 (as applicable till November 08, 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 effective from November 09, 2018:

(not applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014:

(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:

(not applicable to the Company during the Audit Period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016:

(not applicable to the Company during the Audit Period); and

(h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 as applicable till September 10, 2018 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 effective from September 11, 2018:

(not applicable to the Company during the Audit Period).

(vi) I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with Stock Exchange pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days 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 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.

I 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.

I further report that during the audit period:

i) Members of the Company in the Annual General Meeting dated September 26, 2018 passed a special resolution for reclassification of the promoters into public category.

ii) The Board of Directors of the Company at their meeting held on December 21, 2018, passed resolution to shift the registered office of the company within the local limits.

Gaurav Nashikkar
Place: Pune **Membership No. ACS 37259**
Date : July 17, 2019 **C.P. No. 13967**

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

‘ANNEXURE A’

To,
The Members,
Rajkumar Forge Limited
Office No 511 to 513, Global Square, Yerawada,
Pune – 411006

My Secretarial Audit Report of even date is to be read along with this letter.

Management’s Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor’s Responsibility

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Gaurav Nashikkar
Place: Pune **Membership No. ACS 37259**
Date : July 17, 2019 **C.P. No. 13967**

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

Annexure D

DISCLOSURE UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION), RULES, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year:

   (**Explanation:** (i) the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values).

   The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year:

   - None of the Directors of the Company is in receipt of any kind of remuneration other than the Sitting Fees.
   - The ratio of remuneration of Executive Director (designated as “Whole Time Director”) to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase in his remuneration during the financial year 2018-19 are given below:

Executive Director (designated as “Whole Time Director”)	Ratio to Median	Percentage Increase in Remuneration
Mr. Nitin Rajore	1:0.09	12%

   - The percentage increase in the remuneration of Chief Financial Officer : NIL
   - The percentage increase in the remuneration of Company Secretary : 18%

2. The percentage increase in the median remuneration of employees in the financial year : 5.98%
3. The number of permanent employees on the roll of Company : 74 employees.
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   The average percentage increase in the salaries of employees other than the managerial personnel in the last financial year is between 7 - 8 per cent, depending upon the designation and seniority. The increment given to each individual employee is based on the employees’ performance and also benchmarked against a comparable basket of relevant companies in India.

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

   It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

For and on behalf of the Board of Directors
RAJKUMAR FORGE LIMITED

Arun Jindal
Chairman
DIN : 00121523

Place : Pune
Date : July 17, 2019

Annexure E

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Conservation of energy:

(i)	the steps taken or impact on conservation of energy	1) Energy saving by optimum utilization of the furnaces. 2) Periodic maintenance of furnaces. 3) Energy saving through Natural Gas against Oil. 4) Maintain unity power factor. 5) All the employees are sensitized on conserving the energy. Further, the Company continuously evaluates new technologies and techniques to make infrastructure more energy efficient.
(ii)	the steps taken by the company for utilizing alternate sources of energy	The Company is planning equipment up-gradation to improve productivity and number of heats and Installation of Solar Systems.
(iii)	the capital investment on energy conservation equipment's	During the year company has not invested in energy conservation equipment's.

(b) Technology absorption:

(i)	the efforts made towards technology absorption	In Rajkumar Forge, Technology Absorption, Adaptation and Innovation is a continuous process to support business growth and customer satisfaction. This helps the Company to broad based product offerings to customers so that customers could procure a variety of forgings, machined and un-machined under one roof.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Customer's satisfaction and new business opportunities because of cost, quality and speed.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not Applicable
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	During the year the Company has not undertaken significant R & D activities.

(c) Foreign exchange Earnings and Outgo:

Particulars with regard to foreign exchange earnings and outgo are as follows:

During the year, the total foreign exchange income amounted to ₹ 132.94 Lakhs and expenditure amounted to ₹ 302.35 Lakhs.

For and on behalf of the Board of Directors
RAJKUMAR FORGE LIMITED

Arun Jindal
Chairman
DIN : 00121523

Place : Pune
Date : July 17, 2019

REPORT ON CORPORATE GOVERNANCE

In compliance with the provisions of Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company submits the Report on Corporate Governance for the financial year ended March 31, 2019 containing the matters in the said Regulations with respect to Corporate Governance Requirements.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Rajkumar Forge believes that for sustained growth and for enhancing shareholder value, sound Corporate Governance is a must. We ensure fairness for every stakeholder – our customers, investors, vendors and communities where we operate, through transparency and accountability, the two basic tenets of Corporate Governance. We strive to ensure that our performance is driven by integrity, values and ethics. Company has guiding principles laid out through its Code of business conduct, duly adopted and adhered to by directors and senior management personnel which has been posted on website of company.

The Company believes that good Corporate Governance strengthens the investors trust and ensures long term relationship with other stakeholders which helps the Company to achieve its objectives.

Company is in compliance with all mandatory requirements of corporate governance laid down under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD OF DIRECTORS:

Composition of Board:

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. The Company had four Directors as on March 31, 2019 comprising of one Executive Director holding office of Whole-time Director and three Non-Executive Directors, with one being Woman Director. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 149 of the Companies Act, 2013.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all Public Companies in which he/ she is a Director. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed companies. The necessary disclosures regarding Committee positions have been made by all the Directors.

Name	Category	Number of Board Meetings held during the year 2018-19			Whether attended last AGM	No. of Directorships in other Public Limited Companies (Excluding this company)	Committee positions held in other Public Limited Companies (Excluding this company)	
		Held	Entitled to attend	Attended			Member	Chairperson
Arun Jindal	Non- Executive Director	8	8	7	Yes	-	-	-
Nitin Rajore	Executive Director	8	8	8	Yes	-	-	-
R. T. Goel	Non- Executive Independent Director	8	8	8	Yes	-	-	-
Sudha Santhanam	Non- Executive Independent Director	8	8	8	Yes	-	-	-

Meetings of the Board of Directors:

During the year 2018-19, Eight (8) Board Meetings were held on May 26, 2018, July 21, 2018, August 14, 2018, October 06, 2018, November 03, 2018, December 21, 2018, February 02, 2019 and March 15, 2019.

The necessary quorum was present at all the Board Meetings.

The gap between two board meetings did not exceed 120 days.

Information placed before the Board:

Agenda papers along with detailed notes are being circulated in advance of each meeting of the Board. Information pursuant to Corporate Governance practices as required under Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been made available to the Board from time to time.

The Company periodically places Compliance Reports with respect to all applicable laws before the Board of Directors for its review.

Directors with material pecuniary or business relationship with the Company:

The Company did not have any pecuniary relationship or transactions with its Non-Executive and/or Independent Directors during the financial year 2018-19.

Disclosure of relationship between Directors inter-se:

No Director of the Company is related to any other Director of the Company.

Number of shares held by Non-Executive Directors:

Mr. Arun Jindal, Non-Executive Director holds 7,00,000 Equity Shares. None of the other Non-Executive Directors hold any Shares or convertible instruments of the Company as on March 31, 2019.

Details about Director seeking reappointment at the forthcoming Annual General Meeting are given separately in this report along with Notice convening the said Meeting.

Notes:

Independent Directors are non-executive directors as defined under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that :

a) they meet the criteria and fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Act and are independent of the management.

b) they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence.

c) not being a Director in more than Ten public companies (to a limit of eight listed companies) and ten private companies, aggregating to not more than twenty companies. Further, confirmation from Independent Director to adhere to this requirement for FY 2019-20 as well.

The Board confirms that the Independent Directors fulfil the conditions specified in Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board has identified the following skills/expertise/competencies available with the Board with reference to its business and industry:

Sr. No.	Name of the Director	Expertise/Skills/Competencies in specific functional area
1	Mr. Arun Jindal	Mr. Jindal being B. E. (Mechanical), is an industrialist with enriched experience in the field of setting up, managing and promoting the forging industry of more than 37 years.
2	Mr. Nitin Rajore	Mr. Rajore holding B.SC (Chemistry) Hons, has an experience of about 37 years in the field of manufacturing industries which includes overall management with strategic execution and decision making capabilities.
3	Mr. R. T. Goel	Mr. Goel is Chartered Accountant and Company Secretary with strong professional experience of more than 32 years in the field of Financial Management, Accounting, Auditing, Taxation, Corporate Laws, Project Financing, Budgeting, MIS, Statutory Compliances etc.
4	Ms. Sudha Santhanam	Ms. Santhanam is Chartered Accountant and Company Secretary by profession with over 30 years of experience in Corporate laws and Listing Regulations of SEBI.

BOARD COMMITTEES:

Currently the Board has five committees –

i) Audit Committee;

ii) Nomination and Remuneration Committee;

iii) Stakeholders Relationship Committee;

iv) Share Transfer Committee; and

v) Committee for issue of duplicate Share Certificate.

i) Audit Committee:

The composition of the Audit Committee complies with provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 177 of the Companies Act, 2013.

During the period under review, five (5) meetings of Audit Committee were held on May 26, 2018, August 14, 2018, November 03, 2018, February 02, 2019 and March 15, 2019.

The composition of the Audit Committee as on March 31, 2019 and attendance of members in the meetings held during the financial year 2018-19 is as under:

Name of the Director	Designation	Category	No. of meetings attended
R. T. Goel	Chairman	Non-Executive Independent Director	5
Sudha Santhanam	Member	Non-Executive Independent Director	5
Nitin Rajore	Member	Executive Director	5

Terms of Reference:

During the year under review, Audit Committee's terms of reference were revised to include the role, powers and functions of the Audit Committee in conformity with Section 177 of the Companies Act, 2013 and Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, which includes:

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 utilization 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 chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. (Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal Audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
   (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
7. Compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time at least once in a financial year (effective from April 1, 2019) and shall verify that the systems for internal control are adequate and are operating effectively.

All the members of the Audit Committee are financially literate and possess accounting or related financial management expertise by virtue of their experience and background.

The Audit Committee meetings are attended by the Chief Financial Officer, the Statutory Auditors and Internal Auditors, upon invitation, attend the meetings. During the year 2018-19, they have attended majority of Audit Committee meetings.

The Chairman of the Audit Committee was present at the 28th Annual General Meeting held on September 26, 2018.

Ms. Shruti Patil, Company Secretary acts as Secretary to the Audit Committee.

ii) Nomination and Remuneration Committee:

The composition of the Nomination and Remuneration Committee complies with provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 178 of the Companies Act, 2013.

During the year under review three (3) meetings of Nomination and Remuneration Committee were held on May 26, 2018, October 06, 2018 and February 02, 2019.

The composition of the Nomination and Remuneration Committee as on March 31, 2019 and attendance of members in the meetings held during the financial year 2018-19 is as under:

Name of the Director	Category	No. of meetings attended
R. T. Goel	Non-Executive Independent Director	3
Sudha Santhanam	Non-Executive Independent Director	3
Arun Jindal	Promoter Non-Executive Director	2

Terms of reference:

During the year under review, Nomination and Remuneration Committee's terms of reference were revised to include the role, powers and functions of the Nomination and Remuneration Committee in conformity with Section 178 of the Companies Act, 2013 and Para A of Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which includes:

1. Recommend to the Board the setup and composition of the Board and its Committees. This shall include "Formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
2. Periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
3. Identifying person who are qualified to become Directors and who may be appointed in Senior Management in accordance with criteria laid down and Recommend to the Board their appointment or removal.
4. Devise a policy on Board diversity.
5. Recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Companies Act, 2013) and executive team members of the Company (as defined by the Committee).
6. Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and Individual Directors.
7. Formulation of criteria for evaluation of Independent Directors and the Board.
8. Oversee the performance review process of the KMP and the executive team of the Company.
9. Recommend to the Board the remuneration policy for Directors, Senior Management / executive team/ KMP as well as the rest of the employees.
10. Recommend to the Board all remuneration in whatever form payable to Directors, KMP and Senior Management / other employees of the Company.
11. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
12. Oversee familiarization programmes for Directors.
13. Oversee the HR philosophy, HR and People strategy and HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP and Senior Management / executive team).
14. Performing such other duties and responsibilities as may be consistent with the provisions of the Committee Charter.

DETAILS OF REMUNERATION TO ALL DIRECTORS:

The remuneration of Whole Time Director is approved by the Board of Directors and Nomination and Remuneration Committee.

1. Details of managerial remuneration for the financial year 2018-19 are given below: (₹ In lacs)

Name	Salary & Allowances	Perquisites	Total
Mr. Nitin Rajore, Whole Time Director	33.60	3.50	37.10

2. Details of remuneration of Non- Executive Directors:

Sitting fees to Directors:

In terms of provisions of Section 197(5) of the Companies Act, 2013 read with the Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company pays ₹ 60,000/- as sitting fees to each Non-Executive Director for attending every Board Meeting held to adopt financial results of the Company.

The details of Sitting Fees paid to Non-Executive Directors for the financial year 2018-19 are as under: (₹ In lacs)

Sr. No.	Name	Amount
1	Arun Jindal	2.40
2	R. T. Goel	2.40
3	Sudha Santhanam	2.40
	TOTAL	**7.20**

None of the Non-Executive Directors of the Company is in receipt of any kind of remuneration / commission other than the Sitting Fees as mentioned above. The Company has not provided any stock option to Directors of the Company.

iii) Stakeholders Relationship Committee:

The composition of the Stakeholders Relationship Committee complies with provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 178 of the Companies Act, 2013.

During the year under review four (4) meetings of Stakeholders Relationship Committee were held on May 26, 2018, August 14, 2018, November 03, 2018 and February 02, 2019.

The composition of the Stakeholders Relationship Committee as on March 31, 2019 and attendance of members in the meetings held during the financial year 2018-19 is as under:

Name of the Director	Designation	Category	No. of meetings attended
R. T. Goel	Chairman	Non-Executive Independent Director	4
Arun Jindal	Member	Promoter Non-Executive Director	4
Nitin Rajore	Member	Executive Director	4

Terms of Reference:

During the year under review, Stakeholder Relationship Committee's terms of reference were revised to include the role, powers and functions of the Stakeholder Relationship Committee in conformity with Section 178 of the Companies Act, 2013 and Para B of Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which includes:

1. Review statutory compliance relating to all security holders;
2. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
3. Review of measures taken for effective exercise of voting rights by shareholders;
4. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
5. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
6. Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund;
7. Oversee and review all matters related to the transfer of securities of the Company;
8. Review movements in shareholding and ownership structures of the Company; and
9. Recommend measures for overall improvement of the quality of investor services..

Ms. Shruti Patil, Company Secretary is the Compliance Officer of the Company and acts as Secretary to Stakeholder Relationship Committee.

The details of Shareholders Complaints received so far, resolved and pending during the financial year 2018-19 are as follows:

Received	Resolved	Pending
5	4	1#

#The Pending Complaint was received on March 31, 2019.

iv) Share Transfer Committee:

To expedite transfers in physical form, a separate Committee has been formulated, who has been authorized to look into various matters like approving share transfers/transmissions, name deletion, issue of new certificates in split / consolidation form, etc.

During the year under review, Twenty Four (24) meetings of the Share Transfer Committee were held.

The composition of the Committee is as follow:

Name of the Director	Designation	Category
Arun Jindal	Chairman	Promoter Non-Executive Director
Nitin Rajore	Member	Executive Director

Terms of Reference:

Committee approves the share transfers, transposition, transmission, name deletion etc. based on the reports obtained from the Registrar and Share Transfer Agent.

Ms. Shruti Patil, Company Secretary acts as Secretary to this Committee.

The Share transfers approved by the Committee are placed at the Board meetings from time to time. The Company attends to the Investor correspondence promptly. There were no pending share transfers as on March 31, 2019.

Name and designation of Compliance officer and Nodal Officer for IEPF Compliances:

Name of the Company Secretary and the Compliance Officer, Nodal Officer for IEPF Compliances	Ms. Shruti Patil
Address	Office no. 511 to 513, Global Square, S. No. 247, 14B, Yerawada, Pune – 411 006
Email Id	secretarial@rkforge.in
Contact No.	8956616160

v) Committee for issue of duplicate Share Certificate:

In terms of provisions of Section 46 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for speedy compliance with the provisions relating to issue of duplicate share certificate, the separate committee of the Board has been constituted, the composition of the same is as below:

Name of the Director	Designation	Category
Arun Jindal	Chairman	Promoter Non-Executive Director
Nitin Rajore	Member	Executive Director

Ms. Shruti Patil, Company Secretary acts as Secretary to this Committee.

MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on February 02, 2019, inter-alia, to discuss:

a. Review the performance of Non-Independent Directors and the Board as a whole for the financial year 2018-19;

b. Review the performance of the Chairman of the Company, taking into consideration, the views of Whole Time Director and Non-Executive Directors; and

c. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Both the Independent Directors were present at the Meeting.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibility as Directors, working of your Company, nature of the industry in which your Company operates, business model etc.

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with your Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of your Company and business strategy. Visits to plant location are organized for the Independent Directors to enable them to understand the operations of your Company.

The details of the familiarization programme are explained in the Corporate Governance Report. The same is also available on the website of the Company at http://www.rkforging.com/wp-content/uploads/2017/05/FAMILIRIZATION.pdf

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR:

The Company has adopted the Guidelines on Board Effectiveness ("Governance Guidelines" or "guidelines") which inter-alia cover the criteria for determining qualifications, attributes and independence of a Director.

Under Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee ('NRC') of your Board has formulated a Remuneration Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees of your Company. The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments of Remuneration to Executive and Non-Executive Directors of the Company.

The NRC takes into consideration the best remuneration practices in the industry while fixing appropriate remuneration packages and for administering the long-term incentive plans. Further, the compensation package of the Directors, Key Managerial Personnel, Senior Management and other employees is designed based on the set of principles enumerated in the said policy.

The Remuneration Policy has been posted on website of the Company which can be accessed at http://www.rkforging.com/wp-content/uploads/2017/05/REMUNERATION-POLICY.pdf and the Policy on Appointment of Directors, Key Managerial Personnel, Senior Management & Other Employees is available on the Company's website at http://www.rkforging.com/wp-content/uploads/2018/07/Policy-on-Appointment-of-Directors-Key-Managerial-Personnel-Senior-Management-Other-Employees.pdf

EVALUATION OF INDIVIDUAL DIRECTORS, THE BOARD & ITS COMMITTEES:

Evaluation of Individual Directors:

1. Pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidance Note on Board Evaluation issued by SEBI vide Circular dated January 5, 2017, the Board has carried out the annual performance evaluation for financial year 2018-19 of its own performance, the Directors individually as well as the evaluation of the working of its Committees viz. 'Audit Committee', 'Nomination and Remuneration Committee' and the 'Stakeholders Relationship Committee'.
2. The review of the performance of all the Directors (including the Chairman) was also evaluated for financial year 2018-19 by the 'Nomination and Remuneration Committee'.
3. The performance review of the Non-independent Directors was evaluated for financial year 2018-19 in the meeting of the 'Independent Directors'.

   The broad criteria followed for evaluation of the performance of Individual Directors as per SEBI Guidance Note includes:

   A. Details of professional qualifications;

   B. Details of prior experience, especially the experience relevant to the Company;

C. Knowledge and Competency;

D. Fulfillment of functions;

E. Ability to function as a team;

F. Initiative;

G. Availability and attendance;

H. Commitment;

I. Contribution;

J. Integrity; and

K. Independence.

Additionally, for the Chairman, the key aspects of the role have been considered like: (a) Efficient leadership, decisive, courteous, professionalism, coordinate the discussion and steer the meeting effectively; (b) Impartial in conducting discussions, seeking views and dealing with dissent; (c) Communicating effectively with all stakeholders and enable meaningful relationships as required; and (d) Motivating and providing guidance to the Whole Time Director ("WTD").

Evaluation of Board:

1. Areas on Board Evaluation as per SEBI Guidance Note:

A. Structure of the Board;

B. Meetings of the Board;

C. Functions of the Board; and

D. Board & Management.

2. The broad criteria followed for evaluation of the performance of Board Committees include:

A. Mandate and composition;

B. Effectiveness of the Committee;

C. Structure of the Committee and meetings;

D. Independence of the Committee from the Board; and

E. Contribution to decisions of the Board.

BOARD DIVERSITY:

The Board ensures that a transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board has an appropriate blend of functional and industry expertise.

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES AS APPROVED BY THE BOARD AS PER PROVISIONS OF ACT AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Remuneration Policy of the Company forms part of Directors' Report.

QUORUM:

Quorum for Board as well as Committee Meetings is one third or two directors/members of committees, as the case may be, whichever is higher.

GENERAL BODY MEETINGS:

Particulars of General Meetings held during last three years:

AGM for the financial year	AGM / EGM	Date & time	Venue	No. of Special Resolutions
2017-18	AGM	September 26, 2018 at 11.00 a.m.	Poona Club Limited, 6 Bund Garden Road Pune-411001	1
2016-17	AGM	September 27, 2017 at 11.00 a.m.	Poona Club Limited, 6 Bund Garden Road Pune-411001	2
2016-17	EGM	January 31, 2017 at 11.00 a.m.	Poona Club Limited, 6 Bund Garden Road Pune-411001	2
2015-16	AGM	September 20, 2016 at 11.30 a.m.	Poona Club Limited, 6 Bund Garden Road Pune-411001	-

The Shareholders passed all the Resolutions set out in the respective Notices. No Special Resolution was passed in last year through Postal ballots.

At the forthcoming AGM, there is no item on the Agenda that needs approval by postal ballot.

DISCLOSURES:

Risk Management Framework:

The Company faces both internal and external risks. Also, we focuses on risks in the short, medium as well as long term. Risk management is an integrated aspect of Company's business operations. On a yearly basis, an extensive risk assessment is conducted in which all the significant risks associated with business lines and corporate funtions are identified. The risks are then consolidated and assessed on their potential impact and probability, which is then reported to the Board of Directors. Responsibilities are assigned for significant risks, and mitigating initiatives are established and tracked.

Related Party Transactions:

During the financial year 2018-19, the Company had transactions with related parties as defined under the provisions of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The basis of related party transactions is placed before the Audit Committee. All these transactions with related parties were in the 'ordinary course of business' and on 'arm's length basis'. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are repetitive in nature.

The actual transactions entered into pursuant to the omnibus approval so granted are placed periodically at quarterly meetings of the Audit Committee. As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a transaction with a related party shall be considered material, if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited Financial Statements of the Company. All material Related Party Transactions (RPTs) shall require approval of the Members. Considering the definition of material RPTs, the Company has obtained approval from its Members for material related party transactions as follows:

Sr. No.	AGM Details	Particulars
1	27th Annual General Meeting held on September 27, 2017	With respect to transactions with Western India Forgings Private Limited and Orient Precision Engineering Private Limited for a period of 5 years with effect from April 01, 2017.

Except transactions with Western India Forgings Private Limited and Orient Precision Engineering Private Limited, there were no material related party transactions in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year 2018-19. Suitable disclosure as required has been made in the Note No. 40(2) of the Financial Statements. The Company's Policy on Related Party Transactions has been uploaded on the Company's website at http://www.rkforging.com/wp-content/uploads/2017/05/RELATED-PARTY-TRANSACTION-POLICY.pdf

Management Disclosures:

Based on the disclosures received from the Senior Management Personnel; none of the Senior Management Personnel has entered into any transactions during the year in which he/she has material financial and commercial interest or in which he/she may have potential conflict of interest with the interest of the Company at large.

Means of communication

Half yearly report sent to each household of Shareholder : No

Quarterly, half yearly and the annual results:

Which newspapers normally published in : **Loksatta & Financial Express**

Any website where displayed : www.rkforging.com

Whether it also displays official news releases and

presentations made to institutional investors or to analysts : Yes

Whether MD&A is a part of annual report or not : Yes

GENERAL SHAREHOLDER INFORMATION

1. **Annual General Meeting:**

Particulars	Details
Date and Time	Wednesday, September 18, 2019 at 11.00 a.m.
Venue	Poona Club, 6 Bund Garden Road, Pune – 411 001

2. **Financial Year** : April 01, 2019 to March 31, 2020
3. **Financial Reporting for:**

Quarter / Year ended	Month of approval of Financial Statements
June 30, 2019	July / August, 2019
September 30, 2019	October / November, 2019
December 31, 2019	January / February, 2020
March 31, 2020	April / May, 2020

4. **Dividend payment date** : The Board of Directors has not recommended a dividend in the financial year 2018-19.
5. **Book Closure Dates (for Annual General Meeting)** : September 12, 2019 to September 18, 2019 (both days inclusive)
6. **Listing Details:**

No. of securities listed : 1 to 10939400

Name, Address and Telephone Nos. of Stock Exchange	Scrip Code	Listing Fees for 2019-20
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001, Tel.: (022) 22721233 / 34	513369	Paid

7. **Demat ISIN Number for the purpose of NSDL and CDSL :** INE013J01016

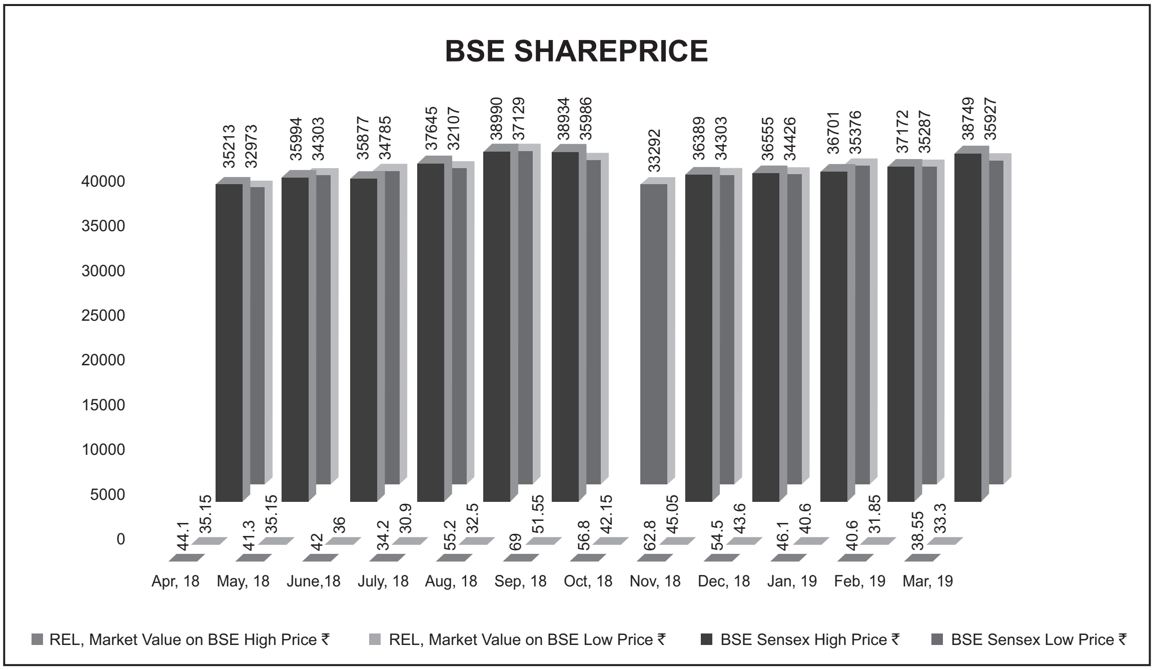
8. **Market Price Data:**

High/Low of market price of the Company's shares traded on BSE Limited during the year 2018 - 19 is furnished below:

Period	RFL's Market Value on BSE		BSE Sensex	
	High Price ₹	Low Price ₹	High Price ₹	Low Price ₹
April, 2018	44.10	35.15	35213.30	32972.56
May, 2018	41.30	35.15	35993.53	34302.89
June, 2018	42.00	36.00	35877.41	34784.68
July, 2018	34.20	30.90	37644.59	35106.57
August, 2018	55.20	32.50	38989.65	37128.99
September, 2018	69.00	51.55	38934.35	35985.63
October, 2018	56.80	42.15	36616.64	33291.58
November, 2018	62.80	45.05	36389.22	34303.38
December, 2018	54.50	43.60	36554.99	34426.29
January, 2019	46.10	40.60	36701.03	35375.51
February, 2019	40.60	31.85	37172.18	35287.16
March, 2019	38.55	33.30	38748.54	35926.94

(Source: www.bseindia.com)

9. **Stock Performance of the Company in comparison to BSE Sensex :**



10. **During the F.Y. 2018-19 the securities are not suspended from trading.**

11. **Registrar and Share Transfer Agent:**

M/s. Link Intime India Pvt. Ltd. are the Registrar and Transfer Agents of the company having their office at:

Block No 202, 2nd Floor, Akshay Complex, Dhole Patil Road, Pune –411001

Telephone No. : (020) 26163503, 26161629

E-mail ID :pune@linkintime.co.in

12. **Share Transfer System:**

The Registrars and Transfer Agents process, inter-alia, the share transfer requests received in physical and electronic mode and confirm dematerialization requests and extinguishment of shares and other share registry work.

The transfers are normally processed within 10-15 days from the date of receipt if the documents are complete in all respects.

13. Distribution of shareholding as on March 31, 2019:

No. of shareholders	Percentage to total	Share Holding of Nominal Value of ₹	No. of Shares	Amount in ₹	Percentage to total
7115	94.10	Up to 5,000	956057	9560570	8.74
218	2.88	5,001 to 10,000	184993	1849930	1.69
85	1.12	10,001 to 20,000	131160	1311600	1.20
40	0.53	20,001 to 30,000	99512	995120	0.91
22	0.29	30,001 to 40,000	82971	829710	0.76
26	0.34	40,001 to 50,000	122651	1226510	1.12
24	0.32	50,001 to 1,00,000	198610	1986100	1.82
32	0.42	1,00,001 and above	9163446	91634460	83.76
7562	**100.00**	**TOTAL**	**10939400**	**109394000**	**100.00**

14. Shareholding Pattern as on March 31, 2019:

Sr. No.	Category	No. of shares	% of shareholding
A	**Promoters holding**		
1	Promoters		
	Indian Promoters	7925769	72.45
	Foreign Promoters	-	-
	Sub Total	**7925769**	**72.45**
B	**Non-Promoter's Shareholding**		
1	Institutional Investors	-	-
(i)	Mutual Funds and UTI	-	-
(ii)	Banks, Financial Institutions, Insurance Companies	100	0.001
(iii)	FII's	-	-
	Sub Total	**100**	**0.001**
2	Non-Institutional Investors		
(i)	Individuals	2265173	20.70
(ii)	Hindu Undivided Family	29275	0.27
(iii)	Non-Resident Indians	3668	0.03
(iv)	Bodies Corporate	130255	1.19
(v)	Investor Education and Protection Fund Authority	582401	5.32
(vi)	Others	2759	0.03
	Sub Total	**3013631**	**27.55**
	GRAND TOTAL	**10939400**	**100.00**

15. The status of dematerialization of shares as on March 31, 2019 is as under:

Type of Holding	Percentage to share capital For FY 2018-19	Percentage to share capital For FY 2017-18
Physical	9.87%	14.49%
Dematerialized	90.13%	85.51%
TOTAL	**100.00%**	**100.00%**

The Company's shares are regularly traded on BSE Ltd. as is indicated in the table containing market information.

16. Outstanding ADRs/ GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

As on March 31, 2019, there is no such outstanding global depository receipt or American depository receipts or warrants or any other convertible instruments.

17. Disclosure of commodity price risks and commodity hedging activities:

The Company is not dealing in commodities and hence disclosure relating to commodity price risk and commodity hedging activities is not required.

18. Plant Location:

Gat No 357, Kharabwadi, Chakan Talegaon Road, Chakan, Taluka Khed, District Pune - 410501.

19. Address for correspondence:

Shareholders correspondence should be addressed to our Registrars and Share Transfer Agents at the address mentioned above. During the year under review, the Company has shifted registered office of the Company for better administrative control with effect from January 01, 2019.

From 29/1, Kharadi Village, off Pune Nagar Road, Pune – 411 014, Maharashtra, India

To

Office no. 511 to 513, Global Square, S. No. 247, 14B, Yerawada, Pune – 411 006, Maharashtra, India

Shareholders may also contact the Secretary of the Company at the Registered Office of the Company at above mentioned address for any assistance.

The Secretary has designated following Email ID for investors' correspondence and redressal of their grievances and complaints.

Email: secretarial@rkforge.in, invest@rkforge.in ; Telephone No. : 8956616160

Shareholders holding shares in electronic mode should address all their correspondence relating to change of address, change in bank mandate for NECS etc. to their respective Depository Participant.

20. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.]

Ratings/ revisions obtained by the Company from India Ratings and Research has been intimated to BSE Limited and uploaded on the Company's website at www.rkforge.in. Since the Company do not have any debt instruments, or fixed deposit programme, or any scheme or proposal involving mobilization of funds whether in India or abroad, obtaining rating for the same is not applicable.

CEO / CFO Certification:

A certificate by Mr. Nitin Rajore, Whole Time Director and Mr. Shubham Jindal, Chief Financial Officer, in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was placed before the Board at their meeting held on May 25, 2019.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Auditors' Certificate on compliance of the Corporate Governance norms is attached.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons. The said Code has been revised and adopted on March 15, 2019 by Board of Directors of the Company to incorporate latest amendments as per Insider Trading Regulations, which inter-alia includes a) Policy for determination of "legitimate purposes"; b) Formulation of policy for inquiry in case of leak of UPSI or suspected leak of UPSI; c) Amendment in definition of "Unpublished Price Sensitive Information"; d) Amendment to the definition of "Designated Person".

Ms. Shruti Patil, Company Secretary is the Compliance Officer under the Code. The trading window is closed during the time of declaration of financial results and occurrence of any material events as per the Code. The Compliance Officer / 'Audit Committee' is responsible to set forth the policies relating to and overseeing the implementation of the Code. The terms of reference, constitution, meetings and attendance of this Committee have been mentioned under 'Audit Committee' section.

OTHER SHAREHOLDERS RELATED INFORMATION:

Procedure for dematerialization of shares:

Shareholders seeking demat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificate to Registrar and Share Transfer Agent ("the Registrar") of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. Upon verification, the Registrar will request National Securities Depository Ltd. (NSDL) / Central Depository Services (India) Ltd. (CDSL) to confirm the demat request. The demat account of the respective shareholder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

Transfer of Unclaimed / Unpaid amounts and shares to the Investor Education and Protection Fund (IEPF):

- Pursuant to Section 124 and 125 and all other applicable provisions, if any, of the Companies Act, 2013, the amount of the dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India.
- The dividend for the financial year ended March 31, 2011 amounting to ₹ 8,76,800/- which remained unpaid or unclaimed over a period of seven years was transferred by the Company to the Fund on November 27, 2018.
- Any person/ Member who has not claimed the dividend in respect of the financial year ended March 31, 2012 or any year thereafter is requested to approach the Company/ Registrar and Transfer Agent of the Company for claiming the same.
- It may be noted that the unpaid/ unclaimed dividend for the financial year ended March 31, 2012 in respect of the Company is due for transfer to the Fund on October 15, 2019. The same can however be claimed by the Members by September 16, 2019.
- Further in accordance with Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, amongst other matters, all shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority.

  Accordingly, all the shares in respect of which dividends were declared up to the financial years ended March 31, 2011 and remained unpaid or unclaimed were transferred to the IEPF Demat Account. The Company has sent notices to all such members in this regard and thereafter transferred the shares to the IEPF during financial year 2018-19. The details of unpaid / unclaimed dividend and number of shares liable to be transferred are available on website: www.rkforging.com

- Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed / unpaid for a period of seven years from the dates they became first due for payment. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Demat Account as per the applicable provisions of Companies Act, 2013 and rules made thereunder. The Member/ Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

In order to help Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends for the financial year ended March 31, 2012 and subsequent years on the website of the Company: www.rkforging.com.

While the Registrar and Share Transfer Agents of the Company has already written to the shareholders informing them about the due dates of transfer to IEPF for these payments, attention of the shareholders is again drawn to this matter through Annual Report.

During the financial Year 2018-19, 48,101 Shares were transferred to IEPF Account with CDSL.

OTHER DISCLOSURES :

a. Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large:

Details of transactions with the related parties as specified in Indian Accounting Standards (IND AS 24) have been reported in the Financial Statements. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

There was no such instance in the last three years.

c. Details of compliance with the mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all mandatory requirements laid down under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including compliance with Regulations* 17 to 20, 22, 23, 25, 26 27 and clauses (b) to (i) of the sub- Regulation 2 of Regulation 46 and sub-para (2) to (10) as mentioned in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

* Regulation 21 and 24 are not applicable to the Company.

The Company has also complied with some of the non-mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 specified as below:

- **Separate posts of Chairman and Whole Time Director:** The Chairman of the Board is a Non-executive Director and his position is separate from that of the Whole Time Director.
- **Shareholders rights:** The quarterly results along with the press release are uploaded on the website of the Company.
- **Modified Opinion in Auditors Report:** The Company's financial statement for the financial year 2018-19 does not contain any modified audit opinion.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

d. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:

Please refer details mentioned in the Board's report.

e. Policy on Determination of Materiality for Disclosure of Events or Information:

The Company in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has adopted a 'Policy on Determination of Materiality for Disclosure of Events or Information'. The same has been posted on the website of the Company: www.rkforging.com as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy encourages information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions (hereinafter referred to as "material information") that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

f. Policy on Preservation of Documents:

The Company in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has adopted a 'Policy on Preservation of Documents'. The policy has been posted on the website of the Company: www.rkforging.com as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy facilitates stakeholders to retrieve past information which is of a statutory nature for a period as disclosed in the Policy.

g. Web link where policy for determining 'material' subsidiaries is disclosed:

The Company does not have any subsidiary and hence, no disclosure is required.

h. Web link where Policy on Related Party Transactions has been disclosed:

The same has been uploaded on the Company's website at http://www.rkforging.com/wp-content/uploads/2017/05/RELATED-PARTY-TRANSACTION-POLICY.pdf

i. Disclosure of commodity price risk and commodity hedging activities:

Given herein as above at Point no 17 of General Shareholder Information.

j. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

During the period under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

k. A certificate from Gaurav Nashikkar, Practicing Company Secretary (attached and which forms integral part of this report) confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

l. There was no such instance during FY 2018-19 when the Board had not accepted any recommendation of any committee of the board.

m. Total fees for all services paid/payable by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditors is a part given below:

(₹ in Lakhs)

Sr. No.	Particulars	FY 2018-2019
1	Statutory Audit and Limited review	3.75
2	Other Services including reimbursement of expenses	0.00
	TOTAL	**3.75**

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

Number of complaints filed during the financial year 2018-19	Number of complaints disposed of during the financial year - 2018-19	Number of complaints pending as on end of the financial year 2018-19
NIL	NIL	NIL

Non-compliance of any requirement of Corporate Governance report of sub-paras (2) to (10) of Schedule V (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: NIL.

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

Given in clause c) above.

Extent to which the discretionary requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been adopted:

Given in clause c) above under other disclosure.

Compliance with Accounting Standard:

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules thereunder. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

Code of Conduct:

As required under, Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down Code of Conduct for Directors and Senior Management Personnel of the Company.

The Company has received affirmation of compliance from Directors and Senior Management Personnel of the Company for the financial year ended March 31, 2019. The said Code is posted on the Company's website http://www.rkforging.com/wp-content/uploads/2018/07/Revised-Code-of-Conduct.pdf

Declaration on Compliance with the Company's Code of Conduct:

The Members of

Rajkumar Forge Limited

I, Nitin Rajore, Whole Time Director of Rajkumar Forge Limited, hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them for the year ended March 31, 2019.

For Rajkumar Forge Limited

Nitin Rajore
Whole Time Director
DIN : 01802633

Place : Pune
Date : July 17, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Clause 10(i) of Para C to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

Rajkumar Forge Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Rajkumar Forge Limited having CIN - L28910PN1990PLC056985 and having registered office at Office No. 511 to 513, Global Square, S. No. – 247, 14B, Yerawada, Pune - 411006 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Arun Krishankumar Jindal	00121523	01.12.2016
2	Nitin Shyam Rajore	01802633	01.12.2016
3	Ratanlal Tikaram Goel	07663394	01.12.2016
4	Sudha Santhanam	06579108	15.05.2017

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

Gaurav Nashikkar

Place: Pune **Membership No. : ACS 37259**

Date: July 17, 2019 **C.P. No. : 13967**

Auditors’ Certificate regarding compliance of conditions of Corporate Governance

To,
The Members,
Rajkumar Forge Limited

We have examined the compliance of conditions of corporate governance by **Rajkumar Forge Limited** (hereinafter referred “the Company”), for the year ended on March 31, 2019 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

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

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

Gaurav Nashikkar

Place: Pune **Membership No. : ACS 37259**

Date: July 17, 2019 **C.P. No. : 13967**

INDEPENDENT AUDITOR'S REPORT

To

The members of **Rajkumar Forge Limited**

Report on the audit of the financial statements

We have audited the accompanying standalone Ind AS financial statements of **Rajkumar Forge Limited** ("the Company") which comprise:

a) Ind AS Balance Sheet as at the **March 31, 2019;**

b) Ind AS Statement of Profit and Loss (including Other Comprehensive Income) for the year ended on that date;

c) Ind AS Statement of Cash Flows for the year ended on that date;

d) Statement of Changes in Equity for the year ended on that date; and

e) Notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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.

a) in the case of the standalone Ind AS balance sheet, of the state of affairs of the Company as at **March 31, 2019**.

b) in the case of the standalone Ind AS statement of profit & loss, of the **Profit** of the Company for the year ended on that date.

c) in the case of the standalone Ind AS statement of changes in equity, of the **changes in equity** of the Company for the year ended on that date.

d) in the case of the standalone Ind AS cash flow statement, of the **cash flows** of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Responsibility of Management for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes

a) 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.

b) selection, application, maintenance and implementation of appropriate accounting policies.

c) making judgments and estimates that are reasonable and prudent.

d) design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS financial statements

Our objectives are:

a) to obtain reasonable assurance whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error.

b) to issue an auditor's report that includes our opinion on these standalone Ind AS financial statements based on our audit.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

a Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing, if required, our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

a) As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we enclose, on the basis of our opinion, our examination of the relevant records and according to the information and explanation given to us, in the "Annexure A" a statement on the matters specified in Paragraphs 3 and 4 of the Order.

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

   i) 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.

   ii) 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

   iii) The standalone Ind AS Balance Sheet, the standalone Ind AS Statement of Profit and Loss including the statement of Other Comprehensive Income, the standalone Ind AS Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

   iv) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

   v) On the basis of the written representations received from the directors as on **March 31, 2019** taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2019** from being appointed as a director in terms of Section 164 (2) of the Act.

   vi With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B "; and

   vi) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      a) the Company does not have any pending litigations which would impact its financial position.

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

      c) there has been no delay on the part of the Company in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

For Gokhale, Tanksale & Ghatpande
Firm Registration No: 103277W
Chartered Accountants

S. M. Ghatpande
Partner
Membership No. 30462

Place: Pune
Date: May 25, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A Referred to in Paragraph a) under the heading "Report on other legal and regulatory requirements" of Our Report of Even Date

(i) Fixed Assets

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, except for quantitative details of furniture & fixtures, which is under updation.

(b) The management has physically verified all the fixed assets during the year, except for quantitative details of furniture & fixtures, which is under updation. No material discrepancies were noticed on such verification during the financial year under review. 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 owned by the Company are held in the name of the company.

(ii) Inventories

The management has conducted physical verification of inventories (excluding inventories lying with third parties, which have been substantially confirmed by the third parties) at reasonable intervals during the year. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.

(iii) Loans granted to related parties

The contents of Paragraph 3(iii) of CARO, 2016 are not applicable since the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.

(iv) Compliance with Section 185 & Section 186

The contents of Paragraph 3(iv) of CARO, 2016 are not applicable since the Company has not made investments, granted loans, offered guarantee and security to which the provisions of Section 185 & Section 186 of Companies Act, 2013 apply.

(v) Deposits

The contents of Paragraph 3(v) of CARO, 2016 are not applicable since the Company has not accepted deposits from the public within the provisions of Sections 73-76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

(vi) Cost Records

Maintenance of cost records is not required by the Companies (Cost Record & Audit), Rules 2014 prescribed by the Central Government under Section 148(1) of the Act because the turnover of the Company during the last preceding year is less than Rs.35 crores.

(vii) Payment of statutory dues

(a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year for a period of more than six months from the date those became payable.

(b) There are no disputed amounts outstanding in respect of Income-tax, Sales-tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it as at the last day of the Financial year.

(c) During the year under review, the Company has transferred Rs.876,800/- (P.Y. Rs.943,600/-) to the Investor Education and Protection Fund in accordance with the provisions of section 124(5) the Companies Act, 2013 and Rule 4 of the Companies (Declaration & Payment of Dividend) Rules 2014, made thereunder.

(d) During the year under review, the Company has transferred 48,101 (P.Y. 5,34,300) shares to the Investor Education and Protection Fund in accordance with the provisions of section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules').

(viii) Default in repayment of bank loan

The contents of Paragraph 3(v) of CARO, 2016 are not applicable since the Company has not defaulted in repayment of loans or borrowings obtained from banks and Government. The Company has not issues any debenture nor obtained loans from financial institutions.

(ix) Application of proceeds of term loans / public offer

The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year under review. The Company has applied the proceeds of term loans from banks towards the purposes for which the loans were obtained.

(x) Fraud

The contents of Paragraph 3(x) of CARO, 2016 are not applicable since no material fraud on or by the Company has been noticed or reported during the financial year under review.

(xi) Managerial remuneration

The Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) Nidhi Company

The contents of Paragraph 3(xii) of CARO, 2016 are not applicable since the Company is not a Nidhi Company.

(xiii) Related party transactions & compliance with Sections 177 & 188

All the transactions with related parties are in compliance with Sections 177 & 188 of the Companies Act, 2013 and details thereof have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) Preferential allotment / private placement of shares or convertible debentures & compliance with Section 42

The contents of Paragraph 3(xiv) of CARO, 2016 are not applicable since the Company has not made preferential allotment or private placement of equity shares or fully or partly-paid convertible debentures during the year under review.

(xv) Non-cash transactions with directors etc. & compliance with Section 192

The contents of paragraph 3(xv) of CARO, 2016 are not applicable since -

(a) the directors have not entered into any arrangement for acquiring any assets from the company for a consideration other than cash during the financial year under review.

(b) the company has not entered into any arrangement for acquiring any assets from the directors for a consideration other than cash during the financial year under review.

(xvi) Compliance with Section 45IA of RBI Act

The contents of paragraph 3(xvi) are not applicable since the company is not required to register itself with RBI under section 45IA of the RBI Act.

For Gokhale, Tanksale & Ghatpande
Firm Registration No: 103277W
Chartered Accountants

S. M. Ghatpande
Partner
Membership No. 30462

Place: Pune
Date: May 25, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Annexure B Referred to in Paragraph (b)(vi) under the heading "Report on other legal and regulatory requirements" of Our Report of Even Date

Report on the Internal Financial Controls 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, 2019** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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.

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and its 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(b) 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

(c) 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.

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 may not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at **March 31, 2019**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gokhale, Tanksale & Ghatpande
Firm Registration No: 103277W
Chartered Accountants

S. M. Ghatpande
Place: Pune **Partner**
Date: May 25, 2019 **Membership No. 30462**

Balance Sheet

Particulars	Note	As at March 31, 2019	As at March 31, 2018
		₹	₹
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	12,80,50,755	11,98,78,800
(b) Capital work-in-progress	4	5,69,88,090	5,55,07,921
(c) Intangible assets	5	2,55,319	3,37,309
(d) Other non-current assets	6	33,56,130	33,56,130
Total non-current assets		**18,86,50,294**	**17,90,80,160**
2 Current assets			
(a) Inventories	7	5,89,21,613	5,31,25,660
(b) Financial Assets			
(i) Trade receivables	8	12,94,85,127	7,99,38,582
(ii) Cash and cash equivalents	9	89,88,278	62,98,666
(iii) Short term Loans & advances	10	57,50,632	59,98,280
(c) Other current assets	11	8,07,409	37,45,885
Total current assets		**20,39,53,059**	**14,91,07,073**
Total Assets		**39,26,03,353**	**32,81,87,233**
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	12	10,93,94,000	10,93,94,000
(b) Other equity	13	11,20,22,598	9,15,18,991
Total equity		**22,14,16,598**	**20,09,12,991**
2 Liabilities			
A Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	-	22,50,000
(b) Provisions	15	57,89,065	47,78,605
(c) Deferred tax liabilities (Net)	16	1,17,60,039	17,75,799
(d) Other non-current liabilities	17	20,000	20,000
Total non-current liabilities		**1,75,69,104**	**88,24,404**
B Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	4,35,90,733	3,87,46,074
(ii) Trade payables	19	9,06,98,301	5,63,93,343
(iii) Other financial liabilities {other than those specified in item (ii)}	20	1,14,43,262	94,44,202
(b) Other current liabilities	21	74,54,325	1,34,65,733
(c) Provisions	22	4,31,028	4,00,486
Total current liabilities		**15,36,17,650**	**11,84,49,838**
Total liabilities		**17,11,86,755**	**12,72,74,241**
Total equity and liabilities		**39,26,03,353**	**32,81,87,233**
Contingent Liabilities not provided for:	23	**2,57,49,748**	**2,96,88,738**
Corporate information & statement of accounting policies	1-2		

The accompanying notes are an integral part of these financial statements.
As per our audit report of even date

For Gokhale, Tanksale & Ghatpande,
Firm Registration No: 103277W
Chartered Accountants

For & on behalf of the Board of Directors

Arun Jindal
Chairman
DIN: 00121523

Nitin Rajore
Whole-time Director
DIN: 01802633

S. M. Ghatpande
Partner
Membership No. 30462

Shubham Jindal
Chief Financial Officer

Shruti Patil
Company Secretary
Membership No. A40609

Place : Pune
Date : May 25, 2019

Place : Pune
Date : May 25, 2019

Statement of Profit and Loss

	Particulars	Note No.	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
I	**INCOMES**			
	(i) Revenue from operations	24	61,41,09,636	29,17,30,048
	(ii) Other income	25	12,39,340	14,95,821
	Total Income		**61,53,48,975**	**29,32,25,869**
II	**EXPENSES**			
	(i) Cost of Material Consumed	26	37,25,48,194	15,71,77,991
	(ii) Changes in inventories of finished goods, stock-in -trade and work-in progress	27	8,57,787	(98,93,388)
	(iii) Manufacturing Expenses	28	12,21,52,833	7,69,11,974
	(iv) Employee Benefit Expenses	29	3,45,09,891	3,11,13,979
	(v) Administration Expenses	30	93,42,908	89,10,674
	(vi) Selling Expenses	31	13,05,055	3,28,381
	(vii) Finance Costs	32	1,08,46,078	94,17,528
	(viii) Depreciation & Amortization	33	1,21,77,756	1,16,31,586
	Total expenses		**56,37,40,503**	**28,55,98,725**
III	Profit/(loss) before exceptional items and tax		5,16,08,472	76,27,144
IV	Exceptional Items	34	(1,25,90,779)	-
V	Profit/(loss) before tax		3,90,17,693	76,27,144
VI	Tax expense:			
	(i) Current tax		(82,15,134)	(13,34,700)
	(ii) Deferred tax		(99,84,241)	(20,40,514)
VII	Profit (Loss) for the period from continuing operations		2,08,18,319	42,51,929
VIII	Profit/(loss) from discontinued operations		-	-
IX	Tax expense of discontinued operations		-	-
X	Profit/(loss) from Discontinued operations (after tax)		-	-
XI	Profit/(loss) for the period		**2,08,18,319**	**42,51,929**
XII	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	Remeasurement of obligations		-	-
	Gratuity		(5,77,990)	(4,72,959)
	Leave encashment		2,32,779	(1,49,724)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XIII	Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)		2,04,73,108	36,29,246
XIV	Earnings per equity share (for continuing operation):	35		
	(i) Basic		1.90	0.39
	(ii) Diluted		1.90	0.39
XV	Earnings per equity share (for discontinued operation):			
	(i) Basic		-	-
	(ii) Diluted		-	-
XVI	Earnings per equity share(for discontinued & continuing operations)			
	(i) Basic		1.90	0.39
	(ii) Diluted		1.90	0.39
	Corporate information & statement of accounting policies			

The accompanying notes are an integral part of these financial statements.
As per our audit report of even date

For Gokhale, Tanksale & Ghatpande,
Firm Registration No: 103277W
Chartered Accountants

S. M. Ghatpande
Partner
Membership No. 30462

Place : Pune
Date : May 25, 2019

For & on behalf of the Board of Directors

Arun Jindal
Chairman
DIN: 00121523

Nitin Rajore
Whole-time Director
DIN: 01802633

Shubham Jindal
Chief Financial Officer

Shruti Patil
Company Secretary
Membership No. A40609

Place : Pune
Date : May 25, 2019

Statement of Cash Flow

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	₹	₹
Cash flow from operating activities		
Profit before exceptional items & tax	5,16,08,472	76,27,144
Adjustments for		
Depreciation and amortisation expenses	1,21,77,756	1,16,31,586
Interest income	(2,69,245)	(1,20,933)
Interest expense	77,53,013	68,49,794
Remeasurement of obligations	(3,45,211)	(6,22,683)
Cash generated from operations before working capital changes	**7,09,24,785**	**2,53,64,908**
Adjustments for		
(Increase) / decrease in non-current loans (security deposits & others)	-	8,400
(Increase) / decrease in trade receivables	(4,95,46,545)	(5,28,58,000)
(Increase) / decrease in inventories	(57,95,953)	(1,63,32,000)
(Increase) / decrease in short term loans & advances	2,47,648	85,49,216
Increase / (decrease) in non-current provisions	10,10,460	(2,57,319)
Increase in other current financial liabilities	19,99,060	13,06,153
Increase / (decrease) in trade payables	3,43,04,959	3,59,96,689
Increase / (decrease) in current provisions	30,542	82,332
Increase / (decrease) in other current liabilities	(60,11,408)	11,86,582
Cash generated from operations	**4,71,63,548**	**30,46,961**
Income taxes paid (net of refunds)	(52,46,159)	(19,81,799)
Cash flow before exceptional items	**4,19,17,389**	**10,65,163**
Exceptional items	-	-
Net cash (used in) / generated from operating activities - A	**4,19,17,389**	**10,65,163**
Cash flow from investing activities		
Purchase of PPE	(2,02,67,721)	(16,06,204)
Increase in capital WIP	(14,80,169)	(19,06,219)
Interest income	2,69,245	1,20,933
Cash flow before exceptional items	**(2,14,78,645)**	**(33,91,490)**
Exceptional items	(1,25,90,779)	-
Net cash (used in) / generated from investing activities - B	**(3,40,69,424)**	**(33,91,490)**
Cash flow from financing activities		
Increase / (decrease) in non-current borrowings	(22,50,000)	(67,50,000)
Interest expense	(77,53,013)	(68,49,794)
Net cash (used in) / generated from financing activities - C	**(1,00,03,013)**	**(1,35,99,794)**
Net increase / (decrease) in cash & cash equivalents - A+B+C	**(21,55,048)**	**(1,59,26,121)**
Add: Cash & cash equivalents at the beginning of the year	**(3,24,47,406)**	**(1,65,21,284)**
Cash & cash equivalents at the end of the year	**(3,46,02,453)**	**(3,24,47,406)**
Cash and cash equivalents at the beginning of the financial year	62,98,666	55,08,883
Bank overdrafts	(3,87,46,074)	(2,20,30,168)
Cash and cash equivalents at end of the year	**(3,24,47,407)**	**(1,65,21,285)**
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	89,88,278	62,98,666
Bank overdrafts	(4,35,90,733)	(3,87,46,074)
Balances per statement of cash flows	**(3,46,02,455)**	**(3,24,47,407)**

The accompanying notes are an integral part of these financial statements.
As per our audit report of even date

For Gokhale, Tanksale & Ghatpande,
Firm Registration No: 103277W
Chartered Accountants

S. M. Ghatpande
Partner
Membership No. 30462

Place : Pune
Date : May 25, 2019

For & on behalf of the Board of Directors

Arun Jindal
Chairman
DIN: 00121523

Nitin Rajore
Whole-time Director
DIN: 01802633

Shubham Jindal
Chief Financial Officer

Shruti Patil
Company Secretary
Membership No. A40609

Place : Pune
Date : May 25, 2019

Statement of Changes in Equity

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
		₹	₹
A.	**Equity share capital**		
	Balance at the beginning of the reporting period	10,93,94,000	10,93,94,000
	Balance at the end of the reporting period	**10,93,94,000**	**10,93,94,000**
B.	**Other equity**		
	Capital Redemption Reserve		
	Balance at the beginning of the reporting period	50,00,000	50,00,000
	Balance at the end of the reporting period	**50,00,000**	**50,00,000**
	Capital Reserve: State Capital Subsidy		
	Balance at the beginning of the reporting period	30,00,000	30,00,000
	Balance at the end of the reporting period	**30,00,000**	**30,00,000**
	General Reserve		
	Balance at the beginning of the reporting period	1,60,99,846	1,60,99,846
	Balance at the end of the reporting period	**1,60,99,846**	**1,60,99,846**
	Retained earnings		
	Balance at the beginning of the reporting period	6,74,19,145	6,37,89,899
	Profit for the period	2,08,18,319	42,51,929
	Prior period adjustments	30,499	-
	Other comprehensive Income for the year	(3,45,211)	(6,22,683)
	Balance at the end of the reporting period	**8,79,22,752**	**6,74,19,145**
	Total other equity		
	Balance at the beginning of the reporting period	9,15,18,991	8,78,89,745
	Profit for the period	2,08,18,319	42,51,929
	Other comprehensive Income for the year	(3,45,211)	(6,22,683)
	Balance at the end of the reporting period	**11,20,22,598**	**9,15,18,991**

Note: The other equity of the company under the following heads is **Nil** during both the years under review.

a Share application money pending allotment.

b Equity component of compound financial instruments.

c Gains and losses on remeasuring financial assets at fair value through OCI.

d Revaluation surplus relating to property, plant and equipment or intangible assets.

e Exchange differences on translating the financial statements of a foreign operation.

f Remeasurements of defined benefit obligations.

g The effective portion of gains and losses on hedging instruments in a cash flow hedge.

h Liabilities designated as at fair value through profit or loss, the amount of the change in fair value that is attributable to changes in the liability's credit risk.

i Changes in the value of the time value of options when separating the intrinsic value and time value of an option contract and designating as the hedging instrument only the changes in the intrinsic value.

j Changes in the value of the forward elements of forward contracts when separating the forward element and spot element of a forward contract and designating as the hedging instrument only the changes in the spot element, and changes in the value of the foreign currency basis spread of a financial instrument when excluding it from the designation of that financial instrument as the hedging instrument.

k Bargain purchase gain arising from business combination when there is clear evidence for the underlying reason for classification of the business combination as a bargain purchase.

l Current and deferred tax credits and charges in respect of items recognised in OCI.

m Other items of other comprehensive income.

n Money received against share warrants.

Corporate information & statement of accounting policies

The accompanying notes are an integral part of these financial statements.
As per our audit report of even date

For Gokhale, Tanksale & Ghatpande,
Firm Registration No: 103277W
Chartered Accountants

S. M. Ghatpande
Partner
Membership No. 30462

Place : Pune
Date : May 25, 2019

For & on behalf of the Board of Directors

Arun Jindal
Chairman
DIN: 00121523

Nitin Rajore
Whole-time Director
DIN: 01802633

Shubham Jindal
Chief Financial Officer

Shruti Patil
Company Secretary
Membership No. A40609

Place : Pune
Date : May 25, 2019

Notes to the Ind AS Financial Statements

Notes forming part of Financial Statements

1 Corporate information

Rajkumar Forge Ltd. is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on one recognised stock exchange in India i.e BSE.

The Company is engaged in the business of manufacturing and selling open die forgings in both domestic and international markets.

The financial statements were authorised for issue in accordance with a resolution of the directors on **May 25, 2019.** All press releases, financial reports and other information are available at our investor relations section on the Company's website**: www.rkforging.com**

2 Basis of preparation and compliance with Ind AS.

i These Ind AS financial statements have been presented in accordance with the provisions of Division II of Schedule III to the Companies Act, 2013.

ii These Ind AS financial statements are prepared under the historical cost convention, unless required / permitted otherwise by applicable Ind AS.

iii As required by Section 128(1) of the Companies Act, 2013 ("the Act") these financial statements are prepared in accordance with the accrual method of accounting with revenues recognized and expenses accounted on their accrual including provisions / adjustments for committed obligations and amounts determined as payable or receivable during the period.

iv **Compliance with Ind AS:** The equity shares of Rajkumar Forge Ltd. are listed on a recognized stock exchange in India and the net worth of the Company as per the audited balance sheet as at March 31, 2014 & as at March 31, 2015 was less than Rs.500 crores. Hence as per Rule 4(1)(iii)(a) of the Companies (Indian Accounting Standards) Rules, 2015, the Company shall comply with the Indian Accounting Standards (Ind AS) for the accounting periods beginning on **April 01, 2017.**

v Accordingly, the Company has prepared financial statements which comply in all material respects with the relevant provisions of the Act and with the Ind AS applicable for period ending on **March 31, 2018.**

vi The preparation of financial statements in conformity with Indian AS requires the management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the end of the reporting periods and the reported amounts of revenues and expenses for the reporting periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised.

2 Significant accounting policies

2.01 Ind AS which are not applicable to the Company:

i **Ind AS 26 - Accounting & Reporting by Retirement Benefit Plans:** This Ind AS is not applicable since the Company is not in business of offering Retirement Benefit Plans

ii **Ind AS 27 & Ind AS 110 - Consolidated and separate Financial Statements:** These Ind ASs are not applicable since the Company has no subsidiaries.

iii **Ind AS 28 & Ind AS 111 - Investment in associates and joint ventures:** These Ind ASs are not applicable since the Company has no associates or joint ventures.

iv **Ind AS 29 - Financial Reporting in the Hyperinflationary Economies:** This Ind AS is not applicable since the Company does not operate in Hyperinflationary Economies.

v **Ind AS 34 - Interim Financial Reporting:** This Ind AS is not applicable since the financial statements under review are not interim statements.

vi **Ind AS 40 - Investment Property**: This Ind AS is not applicable since the Company did not hold any investment property at the balance sheet date.

vii **Ind AS 41 - Agriculture**: This Ind AS is not applicable since the Company is not engaged in agriculture.

viii **Ind AS 102 - Share-based Payments:** This Ind AS is not applicable since the Company has not entered into contracts which require share-based payments.

ix **Ind AS 103 - Business Combinations:** This Ind AS is not applicable since the Company has not entered into any arrangements of the nature of mergers & / or demergers.

x **Ind AS 104 - Insurance Contracts:** This Ind AS is not applicable since the Company is not engaged in the business of issuing insurance contracts.

xi **Ind AS 105 - Non-current assets held for sale & discontinued operations:** This Ind AS is not applicable since the Company did not hold any assets to which this Ind AS applies.

xii **Ind AS 106 - Exploration & Evaluation of Mineral Resources:** This Ind AS is not applicable since the Company is not engaged in the business of exploration of mineral resources.

xiii **Ind AS 108 - Operating Segments:** This Ind AS is not applicable since the Company is engaged only in one primary segment, namely, manufacture of forgings and sale in the domestic market.

xiv **Ind AS 112 - Disclosure of interest in other entities**: This Ind AS is not applicable since the Company has no interest in other entities which requires disclosure.

xv **Ind AS 114 - Regulatory Deferral Accounts:** This Ind AS is not applicable since the Company does not conduct rate-regulated activities.

2.02 Ind AS 1 - Presentation of Financial Statements:

i According to Ind AS 1, a 'complete set of financial statements' comprises:

a a balance sheet as at the end of the period;

b a statement of profit and loss for the period;

c a statement of changes in equity for the period;

d a statement of cash flow for the period;

e notes, comprising significant accounting policies and other explanatory information;

f comparative information in respect of the preceding period; and

g if the entity has applied an accounting policy retrospectively, made a retrospective restatement of items or has reclassified items in its financial statements: a balance sheet as at the beginning of the earliest comparative period.

ii The identification of an entity's significant accounting policies is an important aspect of the financial statements. Ind AS 1.117 requires disclosure of the significant accounting policies comprising:

a the measurement basis (or bases) used in preparing the financial statements and

b the other accounting policies used that are relevant to an understanding of the financial statements.

iii The Company's accounting policies comply with each Ind AS effective at the end of the reporting period. The Company does not apply different versions of Ind AS that were effective at earlier dates. The Company may apply a new Ind AS that is not yet mandatory if that Ind AS permits early application.

iv **Current versus non-current classification - Ind AS 1.60**

a The Company presents assets and liabilities in the balance sheet based on current / non-current classification, except when a presentation based on liquidity provides information that is reliable and is more relevant. When that exception applies, all assets and liabilities are presented broadly in order of liquidity. However, it is to be noted that Schedule III to the Act does not permit presentation in the order of liquidity.

b An asset is treated as current when it is:

► Expected to be realised or intended to be sold or consumed in normal operating cycle. Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting period.

► Held primarily for the purpose of trading;

► Expected to be realised within twelve months after the reporting period;

► Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

c All other assets are classified as non-current.

d A liability is treated as current when:

► It is expected to be settled in normal operating cycle. Some current liabilities, such as trade payables and some accruals for employee and other operating costs, are part of the working capital used in the entity's normal operating cycle and are classified as current liabilities even if they are due to be settled more than 12 months after the reporting period.

► It is held primarily for the purpose of trading;

► It is due to be settled within twelve months after the reporting period; or

► There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

e The Company classifies all other liabilities as non-current.

f Deferred tax assets and liabilities are classified as non-current assets and liabilities.

g The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. **The Company has identified 3-6 months as its operating cycle.**

2.03 **Ind AS 2 - Inventories**

i Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value.

ii Costs incurred in manufacture of forgings are accounted for as follows:

a **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

b **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of overheads based on the normal operating capacity. Cost is determined on first in, first out basis.

c **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

iii Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

iv Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

v Obsolete, slow moving and defective inventories are identified and written down to net realisable value.

2.04 **Ind AS 7 - Statement of Cash Flows**

i Ind AS 7.18 allows entities to report cash flows from operating activities using either direct method or indirect method. The regulation 34(2)(c) of Chapter IV of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, requires listed companies to present cash flow from operating activities only under indirect method. The Company presents its cash flows using indirect method as set out in Ind AS -7 whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

ii Certain working capital adjustments and other adjustments included in the accompanying statement of cash flows reflect the change in balances between **March 31, 2018** and **March 31, 2017.**

iii The Company has reconciled profit before tax to net cash flows from operating activities. However, reconciliation of profit after tax is also acceptable under Ind AS 7.

iv Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

v For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.05 **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

The Company's Profit & Loss Statement presents profit / loss from ordinary activities. The extra-ordinary or exceptional items or changes in accounting estimates and policies during the year under review are disclosed separately as per Ind AS 8.

2.06

Ind AS 10 - Events after Reporting period

i These financial statements consider appropriately the impact of events which occur after the reporting period but before the financial statements are approved and which have an effect on the balance sheet and profit and loss statement.

ii The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

iii Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

iv Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

2.07 **Ind AS 12 - Income taxes**

i Tax expense comprises current and deferred tax.

ii Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

iii Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Current income tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction outside profit or loss (either in other comprehensive income or directly in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

iv Deferred tax assets and liabilities are recognized for future tax consequences attributable to the temporary differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods, the carry forward of unused tax credits and any unused tax losses and are measured using tax rates enacted or substantively enacted as at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction outside profit or loss (either in other comprehensive income or directly in equity).

v Deferred tax liabilities are recognized for all taxable temporary differences, except:

a When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

b In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future;

c In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

vi Deferred tax assets are recognized for deductible temporary differences only to the extent that there is reasonable probability that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual probability supported by convincing evidence that they can be realized against future taxable profits.

vii In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably probable or virtually probable, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

viii At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably probable or virtually probable, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

ix The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably probable or virtually probable, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably probable or virtually probable, as the case may be, that sufficient future taxable income will be available. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

x Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

xi Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. The company recognizes MAT credit available for a particular assessment year as an asset only after the assessment for that year is complete and such credit is finally quantified and only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement" under the head "Current Assets". The company reviews the "MAT credit entitlement" asset at each reporting date and writes down its carrying amount to the extent such credit is set-off u/s 115JAA or to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

xii Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

xiii Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- ► When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- ► When receivables and payables are stated with the amount of tax included.

xiv The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.08 **Ind AS 16 - Property Plant and Equipment**

i In exercise of the option vested in the Company as per Para 29 of Ind AS 16, the Company has chosen the cost model as per Para 30 of Ind AS 16 for all items of PPE.

ii Under the Ind AS compliant Schedule III, land and building are presented as two separate classes of PPE. In contrast, paragraph 37 of Ind AS 16 appears to be having flexibility to treat land and building either as one class or as two separate classes. It also states that a class of PPE is a grouping of assets of a similar nature and use in an entity's operations. **However, in accordance with Para 58 of Ind AS 16 and based on the nature, characteristics and risks of land and building, the management has determined that they constitute two separate classes of property for presentation in the financial statements.**

iii The Company has recognized items of property, plant & equipment (PPE) in accordance with Ind AS 16.07 only if it is probable that future economic benefits associated with the item will flow to the entity and if the cost of acquisition or construction of the items of PPE can be measured reliably in accordance with Ind AS 16.10-16.27.

iv The initial cost of PPE comprises:

a its purchase price, including import duties and non-refundable purchase taxes;

b attributable borrowing cost if capitalization criteria are met;

any other directly attributable costs of bringing an asset to working condition and location for its intended use;

d the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met;

e the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred;

f the cost of a major inspection for replacement of PPE, if the recognition criteria are satisfied.

v Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the statement of profit and loss for the period during which such expenses are incurred.

vi Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of PPE. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

vii As required by Schedule II to the Companies Act, 2013, the management estimate every year, on the basis of technical assessment, the useful life and residual value of items of PPE, if the useful life / residual value are different from that specified in Schedule II

viii Depreciation

a Depreciation commences when the assets are ready for their intended use. Assets in the course of development or construction and freehold land are not depreciated.

b Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value, at rates calculated to write off the depreciable amount of each asset on a straight-line basis over its expected useful life (determined by the management based on technical estimates) or in accordance with Schedule II to the Companies Act, 2013.

c The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d When significant spare parts of an item of PPE have different useful lives, they are accounted for as separate items (major components) of PPE.

e Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

f Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

g Leasehold land is amortized on a straight line basis over the period of the lease.

ix An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

x Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

xi Contributions by customers of items of PPE (such as moulds) **,** which require an obligation to supply goods to the customer in the future, are recognised at the fair value when the Company has control of the item.

2.09 **Ind AS 17 - Leases**

i The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

ii A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially to the lessee all the risks and rewards incidental to ownership is classified as a finance lease. A lease in which the lessor does not transfer substantially to the lessee all the risks and rewards of ownership of an asset is classified as an operating lease.

iii Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

iv Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

v A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

vi Where the Company is the lessee,

a finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

b lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

c finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

d contingent rentals are recognised as expenses in the periods in which they are incurred.

e operating lease payments are **not** recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term because the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

vi Where the Company is the lessor:

a finance lease income is **no**t allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease because the Company does **not**, having regard to the totality of facts & circumstances, follow the policy of straight-lining of lease rent income.

b rental income from operating lease is recognised over the term of the relevant lease.

c contingent rents are recognised as revenue in the period in which they are earned.

d amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases.

e In accordance with Ind AS 17 lease payments under an operating lease are **not** recognised as an expense / income on a straight-line basis over the lease term because the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.10 **Ind AS 19 - Employee Benefits**

i Ind AS 19 does not specifically require an entity to distinguish the current and non- current portions of assets and liabilities arising from post-employment benefits because such a distinction may sometimes be arbitrary and difficult to prepare. This is particularly the case for funded plans, where the funded status of the plan to be reflected in the statement of financial position reflects the net of plan assets and liabilities.

ii The Company applies the principles in the Guidance Note on Division II – Ind AS Schedule III for classification of post-employment benefits. As per the Guidance Note, in respect of funded post- employment defined benefit plans, amounts due for payment within 12 months to the fund may be treated as 'current'. Regarding unfunded post-employment benefit plans, settlement obligations which are due within 12 months in respect of employees who have resigned or expected to resign or are due for retirement within the next 12 months is 'current'. The remaining amount attributable to other employees, who are likely to continue in the services for more than a year, is classified as "non-current". Accordingly, the Company has assessed the nature of its employee benefits and made the relevant disclosures.

Short-term employee benefits

iii Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Compensated absences:

iv Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

Post-employment benefits

Defined contribution plan

v **Contribution to Superannuation Fund:** Retirement benefits in form of superannuation is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the superannuation fund. The Company recognizes contribution payable to the superannuation scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

vi **Contribution to Provident Fund:** Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

vii **Gratuity**: The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. **Presently the Company's gratuity plan is unfunded.**

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets if any. This cost is included in employee benefit expense in the statement of profit and loss.

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Past service costs are recognised in profit or loss on the earlier of:

► The date of the plan amendment or curtailment; and

► The date that the Company recognises related restructuring costs;

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

► Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

► Net interest expense or income.

Termination benefits

viii Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates:

a when the Company can no longer withdraw the offer of those benefits; and

b when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

ix The Company is also required to state its policy for termination benefits, employee benefit reimbursements and benefit risk sharing. **Since these are not applicable to the Company, the disclosures related to such benefits have not been made.**

2.11 **Ind AS 20 - Government grants**

i Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

ii When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

iii When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

iv When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

v When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

vi The Company has chosen to present grants related to an expense item as other income in the statement of profit and loss.

However, the Company has not received any grants from the Government during the year under review.

2.12 **Ind AS 21 - Effects of changes in Foreign Exchange Rates**

i The Company's financial statements are presented in INR, which is the company's functional currency.

ii Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

iii Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

iv Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

a Exchange differences arising on monetary items that form part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate.

b Exchange differences arising on monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

c Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

v Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

vi The Company considered the two options available under Indian GAAP, AS 11 -The Effects of changes in Foreign Exchange Rates with regard to accounting for exchange differences arising on long-term (i.e. having a term of 12 months or more at the date of its origination) foreign currency monetary items and decided to recognize such exchange differences as income or expense in profit or loss in the period in which they arise. **The Company continues this accounting practice because it is in compliance with Ind AS 21.**

2.13 **Ind AS 23 - Borrowing Costs**

i Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

ii A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

iii All other borrowing costs are recognized as an expense in the period in which those are incurred.

2.14 **Ind AS 24 - Related party and Disclosures**

i The Company has identified related parties as required by Ind AS 24.

ii In compliance with Ind AS 24, the Company has recognized independent directors & investor directors as key management personnel.

2.15 **Ind AS 32, Ind AS 107 & Ind AS 109 - Financial Instruments : Presentation & Disclosures:**

i A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

ii **Initial recognition and measurement:** All financial assets are recognised initially at amortized cost plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

iii **Subsequent measurement of financial assets:** For purposes of subsequent measurement, financial assets are classified in four categories:

a ► Debt instruments at amortised cost;

b ► Debt instruments at fair value through other comprehensive income (FVTOCI);

c ► Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL);

d ► Equity instruments measured at fair value through other comprehensive income (FVTOCI).

iv **Debt instruments at amortised cost:** A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a ► The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b ► Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

v **Debt instrument at FVTOCI**: A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a ► The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b ► The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the Effective Interest Rate (EIR) method.

The Company does not have any financial asset in the form of debt instruments at FVTOCI.

vi **Debt instrument at FVTPL**: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

The Company has not designated any debt instrument as at FVTPL.

vii **Equity investments at FVTPL:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

The Company does not have any financial asset in the form of equity instruments at FVTPL.

viii **Equity investments at FVTOCI:** For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

The Company does not have any financial asset in the form of equity instruments at FVTOCI.

ix **Derecognition:** A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

► The rights to receive cash flows from the asset have expired; or

► The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(i) the Company has transferred substantially all the risks and rewards of the asset; or

(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

The Company has not derecognized any financial asset.

x **Impairment of financial assets**: In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

► Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

► Financial assets that are debt instruments and are measured as at FVTOCI;

► Lease receivables under Ind AS 17;

► Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these financial statements);

► Loan commitments which are not measured as at FVTPL;

► Financial guarantee contracts which are not measured as at FVTPL;

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

► Trade receivables or contract revenue receivables; and

► All lease receivables resulting from transactions within the scope of Ind AS 17.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- ► All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- ► Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

	Current	1-30 days past due	31-60 days past due	61-90 days past due	More than 90 days past due
Default rate	0.15%	1.60%	3.60%	6.60%	10.60%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- ► Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- ► Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- ► Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase / origination. The Company has made adequate provision for doubtful debts and has not made any provision for ECL.

xi **Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a nonfinancial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

The Company's financial instruments are not derivative instruments.

Financial liabilities – Recognition and measurement

xi **Initial recognition and measurement of financial liabilities:** Financial liabilities are classified, at initial recognition, as

a ► financial liabilities at fair value through profit or loss;

b ► loans and borrowings;

c ► payables;

d ► derivatives designated as hedging instruments in an effective hedge.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts but not derivative financial instruments.

xiii **Subsequent measurement of financial liabilities:** The measurement of financial liabilities depends on their classification, as described below:

a ► **Financial liabilities at fair value through profit or loss:** Financial liabilities at fair value through statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

The Company has not designated any financial liability as at fair value through statement of profit and loss. Non-current liabilities are not carried at their present value.

b ► **Loans and borrowings:** This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs. This category generally applies to borrowings.

xiv **Buyers Credit**: The Company enters into arrangements whereby financial institutions make direct payments to suppliers for raw materials and project materials. The financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up to twelve months (for raw materials) and up to 36 months (for project materials). Where these arrangements are for raw materials with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit (under Trade and other payables). Where these arrangements are for project materials with a maturity up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are classified as projects buyers' credit within borrowings in the statement of financial position.

xv **Financial guarantee contracts:** Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

xvi **Derecognition**: A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

xvii **Reclassification of financial assets:** The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

The Company has not reclassified any financial instrument.

xviii **Offsetting of financial instruments:** Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

The Company has not offset any financial asset and financial liability.

xix **Derivative financial instruments and hedge accounting - Ind AS 109 & 32**

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward, futures and other derivative financial instruments. **The Company does not hold derivative financial instruments for speculative purposes.**

Initial recognition and subsequent measurement: Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

► Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;

► Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;

► Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

i **Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in statement of profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

The Company does not have interest rate swaps that are used as a hedge for the exposure of changes in the fair value fixed rate secured loans.

ii **Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to statement of profit or loss when the hedged transaction affects statement of profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

The Company does not use forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

iii **Hedges of a net investment**

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

The Company does not use a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

The Company does not use derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively.

xx **Loan processing fees:** As required by Ind AS 109, loan processing fees are amortized over the period of the respective loan.

2.16 **Ind AS 33 - Earning Per share**

i The Company presents basic and diluted earnings per share (“EPS”) data for its equity shares.

ii Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

iii For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

2.17 **Ind AS 36 - Impairment of Asset**

i The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the recoverable amount of the asset. Such recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

ii In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

iii The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company’s cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

iv Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

v After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

vi For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

vii Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

viii Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

ix Intangible assets with indefinite useful lives are tested for impairment annually as at 31st March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

x Ind AS 36.96 permits the annual impairment test for a CGU to which goodwill has been allocated to be performed at any time during the year, provided it is at the same time each year. Different goodwill and intangible assets may be tested at different times.

2.18 **Ind AS 37 - Provisions, Contingent Liabilities and Contingent Asset**

i The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

ii Provisions represent liabilities to the Company for which the amount or timing is uncertain. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

iii Provisions are recognised when:

a the Company has a present obligation (legal or constructive) as a result of a past event;

b it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c a reliable estimate can be made of the amount of the obligation.

iv When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

v The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

vi

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost.

vii Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

viii Restructuring provisions are recognised only when the Company has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan’s main features.

ix The Company records a provision, if any, for decommissioning costs of a manufacturing facility / construction site. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

x A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition

xi Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

xii Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

2.19 **Ind AS 38 - Intangible Asset**

i As required by Ind AS 38.72, the Company has chosen the cost model as per Ind AS 38.74 for measurement of intangible assets. The Company has measured the cost of acquisition or construction of intangible assets in accordance with Ind AS 38.24-38.71.

ii Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

iii Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

iv Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

v The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life.

vi Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

vii The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

viii The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

ix Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

x Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.20 **Ind AS 38 - Research and development costs**

i Research costs are expensed as incurred.

ii Revenue expenditure towards development is charged to the statement of profit and loss in the year it is incurred.

iii Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- ► The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- ► Its intention to complete and its ability and intention to use or sell the asset;
- ► How the asset will generate future economic benefits;
- ► The availability of resources to complete the asset;
- ► The ability to measure reliably the expenditure during development.

iv During the period of development, the asset is tested for impairment annually.

v Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

vi Amortisation of the asset begins when development is complete and the asset is available for use.

vii It is amortised over the period of expected future benefit.

viii Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

2.21 **Ind AS 38 - Patents and licenses**

i The Company makes upfront payments to purchase patents and licenses. The patents are granted for a certain period by the relevant government agency with the option of renewal at the end of this period.

ii Licenses for the use of intellectual property are granted for certain periods depending on the specific licenses. The licenses may be renewed at little or no cost to the Company. As a result, those licenses are assessed as having an indefinite useful life.

iii A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives		Amortisation method used	Internally generated or acquired
Licenses	Indefinite		No amortisation	Acquired
Patents	Finite	Amortised on a straight-line basis over the period of the patent		Acquired
Development costs	Finite	Amortised on a straight-line basis over the period of expected future sales from the related project		Internally generated

2.22 **Ind As 108 - Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue are accounted for based on the cost price. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

2.23 **Ind AS 113 - Fair Value Measurement**

i The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

ii Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability; or

► In the absence of a principal market, in the most advantageous market for the asset or liability.

iii The principal or the most advantageous market must be accessible by the Company.

iv The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

v A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

vi The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

vii All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

viii For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

ix The Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

x External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

xi At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

xiii The Valuation Committee, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

xiii On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

xiv For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

xv This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ► Disclosures for valuation methods, significant estimates and assumptions;
- ► Contingent consideration;
- ► Quantitative disclosures of fair value measurement hierarchy;
- ► Investment in unquoted equity shares (discontinued operations);
- ► Property, plant and equipment under revaluation model;
- ► Investment properties;
- ► Financial instruments (including those carried at amortised cost);
- ► Non-cash distribution.

xv **The Company has not elected to apply the portfolio exception under Ind AS 113.48. If an entity makes an accounting policy decision to use the exception, this fact is required to be disclosed, as per Ind AS 113.96.**

2.24 Ind AS 115 - Revenue from contracts with customer

i Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

ii Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment such as discounts and volume rebates and excluding taxes or duties collected on behalf of the Government such as VAT / Service Tax / GST.

iii The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

iv Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

iv The specific recognition criteria described below must also be met before revenue is recognised.

a Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

b Export benefits are accounted on accrual basis on recognition of export sales.

c Revenue in the form of interest on moneys advanced by the Company is recognized only if recovery of both the interest and principal is certain or if required by the provisions of Section 186(7) of the Companies Act, 2013.

d Revenue in the form of dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

e Rental income arising from operating leases on investment properties is **not** accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature because the Company has determined that it does not meet criteria for recognition of lease rental income on straight-line basis i.e.

- ► Another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis; or
- ► The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

f Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

g **Plant and equipment received from customers**: A corresponding credit to deferred revenue is made. The Company may agree to deliver one or more services in exchange for the transferred item of property, plant and equipment, such as connecting the customer to a network, providing the customer with ongoing access to a supply of goods or services, or both. The Company identifies the separately identifiable services included in the agreement.

- ► If only one service is identified, the Company recognises revenue when the service is performed.
- ► If an ongoing service is identified as part of the agreement, the period over which revenue is recognised for that service is generally determined by the terms of the agreement with the customer. If the agreement does not specify a period, the revenue is recognised over a period no longer than the useful life of the transferred asset used to provide the ongoing service.
- ► If more than one separately identifiable service is identified, the fair value of the total consideration received or receivable for the agreement will be allocated to each service and the recognition criteria of Ind AS 18 are then applied to each service.

However, during the year under review, the Company has not received any plant & equipment from its customers.

v In the case of composite contracts, the fair consideration attributable to each component of the contract is identified and recorded as revenue. **However, the Company has not entered into composite contracts during the year under review**.

3 Property, Plant and Equipment

Particulars	Cost at the beginning of the year	Additions during the year	Disposals during the year	Cost at the end of the year	Depreciation at the beginning of the year	Depreciation during the year	Depreciation on disposals during the year	Depreciation at the end of the year	WDV at the beginning of the year	WDV at the end of the year
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Freehold Land										
FY 2018-19	13,70,978	-	-	13,70,978	-	-	-	-	13,70,978	13,70,978
FY 2017-18	*13,70,978*	-	-	*13,70,978*	-	-	-	-	*13,70,978*	*13,70,978*
Buildings										
FY 2018-19	4,85,26,018	-	-	4,85,26,018	2,05,64,341	9,48,924	-	2,15,13,265	2,79,61,677	2,70,12,753
FY 2017-18	*4,85,26,018*	-	-	*4,85,26,018*	*1,96,58,470*	*9,05,871*	-	*2,05,64,341*	*2,88,67,548*	*2,79,61,677*
Plant & Machinery										
FY 2018-19	27,45,91,079	2,02,13,481		29,48,04,559	18,60,47,681	1,02,98,138	-	19,63,45,819	8,85,43,398	9,84,58,740
FY 2017-18	*27,29,84,875*	*16,06,204*	-	*27,45,91,079*	*17,65,41,728*	*95,05,953*	-	*18,60,47,681*	*9,64,43,147*	*8,85,43,398*
Furniture & fixtures										
FY 2018-19	49,84,023	54,241	-	50,38,264	42,11,731	2,68,496	-	44,80,227	7,72,292	5,58,037
FY 2017-18	*49,84,023*	-	-	*49,84,023*	*36,63,593*	*5,48,138*	-	*42,11,731*	*13,20,430*	*7,72,292*
Vehicles										
FY 2018-19	48,85,960	-	-	48,85,960	36,55,505	5,80,208	-	42,35,713	12,30,455	6,50,247
FY 2017-18	*48,85,960*	-	-	*48,85,960*	*30,24,019*	*6,31,486*	-	*36,55,505*	*18,61,941*	*12,30,455*
Total tangible assets										
FY 2018-19	**33,43,58,058**	**2,02,67,721**	**-**	**35,46,25,779**	**21,44,79,258**	**1,20,95,766**	**-**	**22,65,75,024**	**11,98,78,800**	**12,80,50,755**
FY 2017-18	***33,27,51,854***	***16,06,204***	**-**	**33,43,58,058**	**20,28,87,810**	**1,15,91,448**	**-**	***21,44,79,258***	***12,98,64,044***	***11,98,78,800***

Notes

3.1 The Company has not, during both the years, acquired any PPE under a financial lease.

3.2 The Company has not, during both the years, acquired any PPE through business combinations.

3.3 The Company has not, during both the years, impaired any PPE nor reversed any past impairment.

3.4 There are no additions to PPE, during both years, on account of exchange differences.

3.5 There are no additions to PPE, during both years, on account of revaluation.

3.6 There are no disposals of PPE, during both years, on account of discontinued operations.

3.7 No items of PPE have been contributed by customers during both years.

3.8 Notes 15 & 19 state the charges / encumbrances to which specific items of PPE are subject

4 Capital work-in-progress

Particulars	Cost at the beginning of the year	Additions during the year	Disposals during the year	Cost at the end of the year	Depreciation at the beginning of the year	Depreciation during the year	Depreciation on disposals during the year	Depreciation at the end of the year	WDV at the beginning of the year	WDV at the end of the year
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
FY 2018-19	5,55,07,921	14,80,169	-	5,69,88,090	-	-	-	-	5,55,07,921	5,69,88,090
FY 2017-18	*5,36,01,702*	*19,06,219*	-	*5,55,07,921*	-	-	-	-	*5,36,01,702*	*5,55,07,921*

5 Intangible assets

Particulars	Cost at the beginning of the year	Additions during the year	Disposals during the year	Cost at the end of the year	Depreciation at the beginning of the year	Depreciation during the year	Depreciation on disposals during the year	Depreciation at the end of the year	WDV at the beginning of the year	WDV at the end of the year
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Computer software										
FY 2018-19	12,94,572	-	-	12,94,572	9,57,263	81,990	-	10,39,253	3,37,309	2,55,319
FY 2017-18	*12,94,572*	-	-	*12,94,572*	*9,17,125*	*40,138*	-	*9,57,263*	*3,77,447*	*3,37,309*

Notes

5.1 The Company has not, during both the years, acquired any intangible assets under a financial lease.

5.2 The Company has not, during both the years, acquired any intangible assets through business combinations.

5.3 The Company has not, during both the years, impaired any intangible assets nor reversed any past impairment.

5.4 There are no additions to intangible assets, during both the years, on account of exchange differences.

5.5 There are no additions to intangible assets, during both the years, on account of revaluation.

5.6 There are no disposals of intangible assets, during both the years, on account of discontinued operations.

5.7 None of the intangible assets have indefinite life.

		Particulars	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
6	**Other non-current assets**			
	(a)	Security deposits	33,56,130	33,56,130
	Total		**33,56,130**	**33,56,130**
7	**Inventories**			
	(a)	Raw Materials	2,54,11,400	1,63,72,000
	(b)	Work-in-progress	3,22,89,243	3,37,49,000
	(c)	Scrap	12,20,970	6,19,000
	(d)	Stores, spares, loose tools	-	23,85,660
	Total		**5,89,21,613**	**5,31,25,660**
7.1	Mode of valuation: See Note 2.04			
7.2	Inventories are taken and valued by the management.			
8	**Trade receivables**			
	Unsecured, considered good			
	(a)	Outstanding for less than six months	12,19,62,417	6,56,27,204
	(b)	Outstanding for a period exceeding six months	75,25,148	1,43,11,378
	(c)	Unsecured considered good	14,10,659	14,13,097
	Less:	Provision for doubtful debts	(14,13,097)	(14,13,097)
	Total		**12,94,85,127**	**7,99,38,582**
	Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member		NIL	NIL
8.1	Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.			
8.2	Trade receivables are non-interest-bearing.			
9	**Cash and cash equivalents**			
	(a)	Balances with banks		
		i Current account balances with bank	15,17,326	2,75,863
		ii Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments etc.	49,60,544	27,01,933
		iii On unpaid dividend accounts	25,03,200	33,13,250
	(b)	Cash on hand	7,209	7,621
	Total		**89,88,278**	**62,98,666**
Notes				
9.1	Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.			
9.2	The Company has pledged a part of its short-term deposits to fulfil collateral requirements.			
10	**Short-terms loans & advances**			
	i)	Excise, Service Tax / Export IGST	7,61,475	8,14,030
	ii)	VAT Receivable	44,89,240	44,89,240
	iii)	Advance recoverable in cash or kind	97,830	1,31,246
	iv)	Prepaid expenses	2,07,079	3,68,756
	v)	Loans & Advances to former related parties	1,95,008	1,95,008
	Total		**57,50,632**	**59,98,280**
	Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member		NIL	NIL
10.1	Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.			

	Particulars		Year ended March 31, 2019	Year ended March 31, 2018
			₹	₹
11	**Other current assets**			
		Advance Tax & TDS	8,07,409	37,45,885
	Total		**8,07,409**	**37,45,885**
	In the opinion of the board,all the assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of bussiness atleast equal to the amount at which they are stated.			
12	**Share capital**			
12.1	**Authorized Share capital**			
	Equity Shares			
	(a)	Number of shares authorized	1,25,00,000	1,25,00,000
	(b)	Amount of shares authorized	12,50,00,000	12,50,00,000
	(c)	Par value per share	10	10
	4% Redeemable Non-cumulative Preference Shares			
	(a)	Number of shares authorized	7,50,000	7,50,000
	(b)	Amount of shares authorized	75,00,000	75,00,000
	(c)	Par value per share	10	10
	Total Share Capital			
	(a)	Number of shares authorized	1,32,50,000	1,32,50,000
	(b)	Amount of shares authorized	13,25,00,000	13,25,00,000
12.2	**Issued, Subscribed & Fully-paid up Share capital**			
	Equity Shares			
	(a)	Number of shares authorized	1,09,39,400	1,09,39,400
	(b)	Amount of shares authorized	10,93,94,000	10,93,94,000
12.3	**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**			
	(a)	Shares outstanding at the beginning of the reporting period	1,09,39,400	1,09,39,400
	(b)	Shares allotted during the reporting period	-	-
	(c)	Shares forfeited during the reporting period	-	-
	(d)	Shares bought back during the reporting period	-	-
	(e)	Shares outstanding at the end of the reporting period	1,09,39,400	1,09,39,400
12.4	**Equity share capital at the end of the year**		**10,93,94,000**	**10,93,94,000**
12.5	Shares in the company held by each shareholder holding more than 5 per cent shares specifying the number of shares held			
	(a)	Western India Forgings Private Limited		
		Number of shares	72,00,618	72,75,618
		Percentage	65.82%	66.51%
	(b)	A. K. Jindal		
		Number of shares	7,00,000	6,00,000
		Percentage	6.40%	5.48%
	(c)	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs		
		Number of shares	5,82,401	-
		Percentage	5.32%	-
12.6	**Terms/ rights attached to equity shares**			
	The company has only one class of equity shares having 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 the shareholders.			
	The Company does not have any shares reserved for issue under options.			
	During the year under review, the Company has transferred 48,101 (P.Y. 534,300) equity shares to the Investor Education & Protection Fund.			

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
		₹	₹
13	**Other equity**		
	(a) Capital Redemption Reserve	50,00,000	50,00,000
	(b) Capital Reserve: State Capital Subsidy	30,00,000	30,00,000
	(c) General reserve	1,60,99,846	1,60,99,846
	(d) Retained earnings	8,79,22,752	6,74,19,145
	Total	**11,20,22,598**	**9,15,18,991**
13.1	The Company has not made any cash / non-cash distrubution to its shares holders during all the years.		
14	**Non-current borrowings secured**		
	(a) Corporate term loans from banks		
	HDFC Bank	-	22,50,000
	(secured by corporate guarantee issued by the Company's Holding Company)		
	Total	**-**	**22,50,000**
15	**Long term Provisions**		
	(a) Gratuity	52,12,900	41,42,930
	Liability under the Payment Of Gratuity Act,1972 has been actuarially valued. However the liability is not funded externally.		
	(b) Leave encashment	5,76,165	6,35,675
	Privilege Leave entitlements liability has been actuarially valued. However the liability is not funded externally		
	Total	**57,89,065**	**47,78,605**
16	**Deferred tax liabilities (net)**		
	Deferred tax liabilities		
i	Fixed Assets: Impact of Difference between income tax depreciation & depreciation charged for the financial statements	1,17,60,039	1,38,31,207
	Deferred tax assets		
i	Impact of expenditure charged to the statement of profit & loss in the current year but allowed for tax purpose on payment basis.	-	-
ii	Carry forward losses/un-absorbed depreciation	-	(1,20,55,408)
	Total deferred tax liabilities (net)	**1,17,60,039**	**17,75,799**
17	**Other non-current liabilities**		
	(a) Security Deposits	20,000	20,000
	Total	**20,000**	**20,000**
18	**Current borrowings secured**		
	Working capital limits from banks		
	HDFC Bank CC A/C NO. 600	-	3,88,01,423
	Bank of Baroda CC A/C NO. 30	-	(55,349)
	IndusInd Bank CC A/C 650014109271	4,35,90,733	-
	Total	**4,35,90,733**	**3,87,46,074**
18.1	Short term borrowings for working capital requirments availed by the company in the nature of cash credit facility, post shipment demand loan and buyers 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 corporate guarantee of the holding company - Western India Forgings Private Limited. The cash credit is repayable on demand and carries interest rate ranging from 9.50% to 10%		

Particulars			Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
19	**Trade payables**			
	(a)	Related parties	1,04,16,645	1,06,25,400
	(b)	Other than related parties	8,02,81,656	4,57,67,942
	Total		**9,06,98,301**	**5,63,93,342**
	Balance of Sundry Creditors are subject to confirmation/ reconciliations.			
20	**Other financial liabilities**			
	(a)	Unclaimed dividends	25,03,200	33,13,250
	(b)	Statutory liabilities	25,65,851	26,28,933
	(c)	Other liabilities	63,74,211	35,02,019
	Total		**1,14,43,262**	**94,44,202**
Note: Trade payables & all liabilities are non-interst-bearing, unless specified otherwise in the contract.				
21	**Other current liabilities**			
	(a)	Current maturities of long-term debt	22,20,201	90,00,000
	(b)	Advance from customers	30,53,364	23,41,333
	(c)	Employee benefits payable	21,80,760	21,24,400
	Total		**74,54,325**	**1,34,65,733**
22	**Provisions**			
	Provision for employee benefits			
	(a)	Gratuity	3,61,492	3,23,211
	(b)	Leave encashment	69,536	77,275
	Total		**4,31,028**	**4,00,486**
23	**Contingent Liabilities not provided for:**			
	(a)	Guarantees & letters of credit issued by bankers on behalf of the Company	2,57,49,748	1,47,55,959
	(b)	Customs duty on shortfall in export obligation under EPCG Scheme to be performed by March 31, 2019 (excluding interest & penalty)	-	1,49,32,779
	Total		**2,57,49,748**	**2,96,88,738**
Note: The above table shows the voluntary disclosure of provisions for the comparative period as Ind AS 37 .84 does not require such disclosure.				

Particulars			Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
24	**Revenue from Operations**			
		Revenue from		
	a	Company other than a finance company		
		i Sale of products		
	Gross sales			
	i	Export Sales	1,32,93,588	1,36,00,716
	ii	Domestic sale of products	45,79,88,077	19,42,15,019
		Add: Excise duty collected	-	40,95,417
		Add: MVAT/CST collected	-	18,73,699
		Add: GST collected	9,82,55,754	3,73,34,421
			56,95,37,419	25,11,19,272

		Particulars	Year ended March 31, 2019	Year ended March 31, 2018
			₹	₹
		Less: Excise duty paid	(1,57,821)	(18,36,000)
		Less: MVAT/CST paid	-	-
		Less: GST paid	(3,51,03,705)	(1,33,51,506)
			53,42,75,893	**23,59,31,766**
	Other operating revenues			
	i	Sale of scarp	2,19,60,570	33,37,250
	ii	Job work	5,78,73,172	5,24,61,032
	Total		**61,41,09,635**	**29,17,30,048**
25	**Other income**			
	a	Interest on VAT Refund	-	4,54,883
	b	Interest on IT Refund	47,540	-
	c	Interest on fixed deposits with banks	2,69,245	1,20,933
	d	Excess Provision Written Back	12,02,401	3,13,276
	e	Foreign exchange Gain	(4,92,426)	4,39,239
	f	Miscellaneous Income	2,12,580	1,67,489
	Total		**12,39,340**	**14,95,821**
26	**Cost Of Material Consumed**			
	a	Inventory at the beginning	1,63,72,000	65,13,852
	b	Add: Purchases	38,15,87,594	16,70,36,139
	c	Less: Inventory at the end	(2,54,11,400)	(1,63,72,000)
		Cost of Materials consumed	**37,25,48,194**	**15,71,77,991**
		Details of raw material consumption		
		Alloy & Steel Ingots	**37,25,48,194**	**15,71,77,991**
27	**Changes in Inventories**			
		Inventories at the end of the year		
	a	Work in progress	(3,22,89,243)	(3,37,49,000)
	b	Scrap	(12,20,970)	(6,19,000)
		Inventories at the beginning of the year		
	a	Work in progress	3,37,49,000	2,34,75,722
	b	Scrap	6,19,000	9,98,890
	Changes in Inventories		**8,57,787**	**(98,93,388)**
28	**Manufacturing Expenses**			
	a	Power and Fuel	9,36,03,748	5,75,19,557
	b	Consumption of Stores and Spares Parts	97,28,595	85,83,469
	c	Process & conversion expenses	85,82,889	36,69,727
	d	Freight and Forwarding Charges	64,21,561	25,64,066
	e	Labour Charges-Manufacturing	13,87,415	7,84,453
	f	Quality Control Expenses	9,51,136	8,06,479
	g	Security Expenses	8,02,799	13,62,275
	h	Repairs to Plant and Machinery	1,19,850	5,30,323
	i	Repairs to Building	1,81,676	3,99,119
	j	Machine Charges	-	3,83,798
	k	Commitment Charges(Machining)	-	1,67,921
	l	Other Manufacturing Expenses	3,73,166	1,40,788
	Total		**12,21,52,833**	**7,69,11,974**

		Particulars	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
29	**Employee Benefits Expenses**			
	a	Salaries, Wages, Bonus etc.	2,83,39,847	2,54,96,797
	b	Directors' Remuneration	37,10,280	33,24,000
	c	Contribution to Provident & Other Funds	10,36,693	9,59,205
	d	Gratuity expense	5,12,575	5,09,079
	e	Leave encashment	1,74,178	1,51,435
	f	Staff Welfare	7,36,318	6,73,463
	Total		**3,45,09,891**	**3,11,13,979**
30	**Office & Administration Expenses**			
	a	Legal & Professional Fees	27,41,002	18,89,904
	b	Rates & Taxes	10,78,472	3,11,086
	c	Insurance	10,74,382	6,81,712
	d	Directors Sitting Fees	7,20,000	7,20,000
	e	License and Application Fees	54,207	6,89,618
	f	Hire Charges	34,521	5,69,114
	g	Rent	1,05,000	-
	h	Stamp & Hundi Papers	4,89,560	4,45,374
	i	Repairs Other Assets	7,39,053	4,53,044
	j	Telephone expenses	4,48,097	5,50,089
	k	Listing Fees (Stock Exchange)	2,50,000	2,50,000
	l	General Meeting Expenses	2,24,722	76,263
	m	Indirect taxes	2,08,761	3,31,349
	n	Donation	1,00,000	
	o	Auditors' Remuneration :		
		Internal Audit Fees	1,00,000	1,00,000
		Audit fees	3,15,000	3,40,000
		VAT/GST Audit Fees	25,000	50,000
		Tax Audit Fees	35,000	35,000
	p	Other administrative expenses	6,00,131	14,18,122
	Total		**93,42,908**	**89,10,674**
31	**Selling Expenses**			
	a	Travelling and Conveyance	8,08,875	3,26,071
	b	Sales promotion expenses	1,26,183	2,310
	c	Commision & Brokerage	3,69,997	-
	Total		**13,05,055**	**3,28,381**
32	**Finance Costs**			
	a	Interest on borrowings from Banks	77,53,013	68,49,794
	b	Bank Charges	29,88,951	25,35,207
	c	Interest on unsecured loans	19,178	-
	d	Interest for delayed payment of TDS	3,967	32,527
	e	Other interest	80,969	-
	Total		**1,08,46,078**	**94,17,528**

		Particulars	Year ended March 31, 2019	Year ended March 31, 2018
			₹	₹
33	**Depreciation and Amortization Expense**			
	a	Depreciation expense	1,20,95,766	1,15,91,448
	b	Amortization expense	81,990	40,138
	Total		**1,21,77,756**	**1,16,31,586**
34	**Exceptional items**			
	a	Interest paid to DGFT	1,25,90,779	-
	Total		**1,25,90,779**	**-**
35	**Earnings Per Share (EPS):**			
	Earnings per share is calculated in accordance with the Ind AS 33			
	Profit after tax (₹)		2,08,18,319	42,51,929
	Weighted Average Number of Equity shares		1,09,39,400	1,09,39,400
	Nominal Value of Equity Share (₹)		10.00	10.00
	Basic and Diluted Earnings Per Share (₹)		1.90	0.39

		Particulars	2018-19	2017-18
			₹	₹
36	**Additional Information**			
	A	**Value of imports calculated on C.I.F basis**		
		Raw materials & consumables	3,02,34,921	-
		Components and spare parts	-	-
		Total	**3,02,34,921**	**-**
	B	**Expenditure in foreign currency**	**-**	-
		Total	**-**	**-**
	C	**Total value of all imported raw materials, spare parts and components consumed**		
		Raw materials	3,02,34,921	-
		Stores, spare parts & components	-	-
		Total imported	**3,02,34,921**	**-**
		Total value of all indigenous raw materials, spare parts and components similarly consumed		
		Raw materials	37,25,48,194	15,71,77,991
		Stores, spare parts & components	97,28,595	85,83,469
		Total indigenous	**38,22,76,789**	**16,57,61,460**
		Grand Total		
		Raw materials	**40,27,83,116**	**15,71,77,991**
		Stores, spare parts & components	**97,28,595**	**85,83,469**
		Total	**41,25,11,710**	**16,57,61,460**
		The percentage of indigenous items to the total consumption	92.67%	100.00%
		The percentage of imported items to the total consumption	0.00%	0.00%
	D	**Earnings in foreign exchange**		
		Export of goods on F.O.B. basis	1,32,93,588	1,36,00,716
		Total	**1,32,93,588**	**1,36,00,716**
37	**Disclosure for assets taken on lease as per Ind AS 17:**			
	In FY 2018-19, the Company entered into an office sharing agreement with its holding company. The monthly charges payable in respect of such arrangement are Rs.35,000/- plus GST.			
	The lease rent debited to the Statement of Profit & Loss is		1,05,000	-

Particulars	2018-19	2017-18
	₹	₹
38 Disclosures pursuant to Ind AS - 19 "Employee Benefits":		
(A) **Defined Contribution Plans:**		
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 are		
a) Provident fund	10,25,493	9,48,005
b) Superannuation Fund	11,200	11,200
	10,36,693	**9,59,205**
(B) **Defined Benefit Plan:**		
The following tables set out disclosures prescribed by Ind AS 19 in respect of Company's unfunded gratuity plan & leave encashment plan.		
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 operates a leave encashment scheme 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.		

I Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	2018-19 Leave encashment	2018-19 Gratuity	2017-18 Leave encashment	2017-18 Gratuity
Present value of Obligation at the beginning of the year	7,12,950	44,66,141	9,04,264	44,49,814
Current Service Cost	1,19,614	3,35,491	1,02,083	3,37,613
Interest Cost	54,564	3,38,364	49,352	2,92,966
Benefits Paid	(8,648)	(1,43,594)	(4,92,473)	(10,87,211)
Remeasurement of obligations- (Gain)/ Loss	(2,32,779)	5,77,990	1,49,724	4,72,959
Present value of Obligation at the end of the year	**6,45,701**	**55,74,392**	**7,12,950**	**44,66,141**

II Amounts recognised in the balance sheet are as follows:

Particulars	2018-19	2018-19	2017-18	2017-18
Current liability	69,536	3,61,492	77,275	3,23,211
Non- current liability	5,76,165	52,12,900	6,35,675	41,42,930
Net (Asset) / Liability recognised in Balance Sheet	**6,45,701**	**55,74,392**	**7,12,950**	**44,66,141**

III Expense recognized in the Statement of Profit and Loss Account are as follows:

Particulars	2018-19	2018-19	2017-18	2017-18
Current Service Cost	1,19,614	3,35,491	1,02,083	3,37,613
Interest Cost	54,564	3,38,364	49,352	2,92,966
Remeasurement cost / (credit) for the year	(2,32,779)	5,77,990	1,49,724	4,72,959
Net actuarial (gain) / loss recognized in the year	-	-	1,49,724	4,72,959
Expense / (Income) recognised in the Statement of Profit & Loss	**(58,601)**	**12,51,845**	**4,50,883**	**15,76,497**

IV Principal Actuarial Assumptions at the balance sheet date:

Particulars	2018-19	2018-19	2017-18	2017-18
Economic Assumptions:				
Discount Rate (per annum)	7.50%	7.60%	7.70%	7.70%
Basic salary increases allowing for price inflation etc.	5.00%	5.00%	5.00%	5.00%
Withdrawal Rate	5.00%	5.00%	-	5.00%

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

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

Particulars	March 31, 2019		March 31, 2018	
Receivables in foreign currency	₹ 87,69,338/-	USD 126,807	₹ 33,52,683/-	USD 50,055
	-	-	₹ 95,760/-	GBP 1,050
Advance from customers	₹ 23,14,987/-	USD 33,475	₹ 23,28,533/-	USD 35,799

40 Related party disclosures

1 Names of related parties where control exists and related party relationship

Holding company		Western India Forgings Private Limited	
Fellow subsidiary		Orient Precision Engineering Private Limited	
Key Management Personnel	1	A. K. Jindal	Director
	2	N. S. Rajore	Whole-time Director
	3	R. T. Goel	Independent Director
	4	Sudha Santhanam	Independent Director
	5	Shubham A. Jindal	Chief Financial Officer
	6	Shruti Patil	Company Secretary
Relatives of Key Management Personnel	1	K. B. Jindal	
	2	Shruti A. Jindal	
	3	Arushi A. Jindal	
	4	Renu Agarwal	
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	1	Kran Rader Private Limited	
	2	Arya Associates	

2 Related party transactions

Particulars	2018-19	2017-18
	₹	₹
BALANCE SHEET ITEMS:		
a Equity Contribution		
Western India Forgings Private Limited	7,20,06,180	7,27,56,180
A. K. Jindal	70,00,000	60,00,000
K. B. Jindal	2,50,000	2,50,000
Sub total	**7,92,56,180**	**7,90,06,180**
b Balance Payable at year end		
Western India Forgings Private Limited	1,04,16,645	1,06,25,400
Sub total	**1,04,16,645**	**1,06,25,400**
c Balance Receivable at year end		
R. S. Kothavale	1,95,008	1,95,008
Sub total	**1,95,008**	**1,95,008**
d Purchase of Machinery		
Western India Forgings Private Limited	2,00,000	-
Sub total	**2,00,000**	**-**
Total of Balance Sheet Items	**9,00,67,833**	**8,98,26,588**
PROFIT & LOSS ITEMS:		
a Sale of forgings		
Western India Forgings Private Limited	4,64,53,546	6,18,47,782
Sub-total	**4,64,53,546**	**6,18,47,782**
b Purchases of Raw Materials		
Western India Forgings Private Limited	10,68,53,497	5,47,58,170
Sub-total	**10,68,53,497**	**5,47,58,170**
c Machining charges		
Western India Forgings Private Limited	44,67,906	13,85,610
Sub-total	**44,67,906**	**13,85,610**
d Remuneration paid during the year		
N. S. Rajore	37,10,280	33,24,000
Shubham Jindal	6,00,000	6,02,800
Shruti Patil	5,96,000	5,00,000
Sub-total	**49,06,280**	**44,26,800**
e Office Rent		
Western India Forgings Private Limited	1,05,000	-
Sub-total	**1,05,000**	**-**
f Commitment charges		
Western India Forgings Private Limited		1,67,921
Sub-total	**-**	**1,67,921**
g Director's Sitting Fees		
A. K. Jindal	2,40,000	2,40,000
R. T. Goel	2,40,000	2,40,000
Sudha Santhanam	2,40,000	2,40,000
Sub-total	**7,20,000**	**7,20,000**
Total of Profit & Loss Items	**16,35,06,229**	**12,33,06,283**
Grand Total	**25,35,74,062**	**21,31,32,871**

41 **Segment Reporting as per Ind AS-108**

There is only one primary segment of the Company's operations, namely, manufacture of forgings. The secondary segment of the Company's operations is identified on the basis of geographical location of the customers because the operations of the Company comprise local sales & export sales. The management views the Indian market & the export market as distinct geographical segments details of which are disclosed as follows:

Particulars	Year ended March 31, 2018		
	Within India	Outside India	Total
Segment Revenue	27,81,29,332	1,36,00,716	29,17,30,048
Addition to fixed assets	16,06,204	-	16,06,204
Carrying value of assets	32,72,71,578	9,15,655	32,81,87,233

Particulars	Year ended March 31, 2019		
	Within India	Outside India	Total
Segment Revenue	60,08,16,047	1,32,93,588	61,41,09,635
Addition to fixed assets	2,02,67,721	-	2,02,67,721
Carrying value of assets	38,61,49,002	64,54,351	39,26,03,353

42 **Additional information related to delayed payment by the Company to Micro / Small Enterprises as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006):**

Sr	Particulars	2018-19	2017-18
(i)	The principal amount remaining unpaid to any supplier (as defined in Section 2(n) of MSMED Act, 2006) as at the end of the accounting year	Nil	Nil
(ii)	The interest due on the principal amount remaining unpaid to any such supplier as at the end of the accounting year	Nil	Nil
(iii)	The amounts of payments made to such supplier beyond the appointed day during the accounting year	Nil	Nil
(iv)	The amount of interest paid by the company in terms of Section 16 of MSMED Act, 2006, during the accounting year	Nil	Nil
(v)	The amount of interest due and payable for the period of delay in making payment without adding the interest specified under MSMED Act, 2006	Nil	Nil
(vi)	The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii)	The amount of further interest due and payable even in the succeeding years until such a day when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	Nil	Nil

As per our audit report of even date

For Gokhale, Tanksale & Ghatpande,
Firm Registration No: 103277W
Chartered Accountants

S. M. Ghatpande
Partner
Membership No. 30462

Place : Pune
Date : May 25, 2019

For & on behalf of the Board of Directors

Arun Jindal
Chairman
DIN: 00121523

Nitin Rajore
Whole-time Director
DIN: 01802633

Shubham Jindal
Chief Financial Officer

Shruti Patil
Company Secretary
Membership No. A40609

Place : Pune
Date : May 25, 2019

RAJKUMAR FORGE LIMITED

(CIN: L28910PN1990PLC056985)

Registered Office: Office No. 511 to 513, Global Square, S. No. 247, 14B, Yerawada, Pune - 411006.

Email ID: secretarial@rkforge.in Website: www.rkforging.com Phone: 8956616160

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

ATTENDANCE SLIP

29th Annual General Meeting of the Company held on Wednesday, September 18, 2019 at 11.00 a.m. at Poona Club Limited, 6, Bund Garden Road, Pune – 411001

DP Id.* : ______________________	Folio No. : ______________________
Client Id.* : ____________________	No. of shares : ____________________

NAME AND ADDRESS OF THE SHAREHOLDER /PROXY ____

______________________________________ I hereby record my presence at the **29th ANNUAL GENERAL MEETING** of the Company held on Wednesday, September 18, 2019 at 11.00 a.m. at Poona Club Limited, 6, Bund Garden Road, Pune – 411001

____

Signature of Shareholder/proxy

*Applicable for investors holding shares in electronic form.

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RAJKUMAR FORGE LIMITED

CIN: L28910PN1990PLC056985

Registered Office: Office No. 511 to 513, Global Square, S. No. 247, 14B, Yerawada, Pune - 411006.

Email ID: secretarial@rkforge.in | Website: www.rkforging.com | Phone: 8956616160

FORM MGT – 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2015]

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No / Client Id* :

DP ID* :

I/We, being the member(s) of _____________ Equity Shares of the above named Company, hereby appoint:

1) _____________________________of_________________________ having e-mail id_____________________________ or failing him

2) _____________________________of_________________________ having e-mail id_____________________________ or failing him

3) _____________________________of_________________________ having e-mail id_____________________________

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Wednesday, September 18, 2019 at 11.00 a.m. at Poona Club Limited, 6, Bund Garden Road, Pune – 411 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
Ordinary Business		
1. Consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with Reports of the Board of Directors and Auditors thereon.		
2. Appointment of Director in place of Mr. Arun Jindal, (DIN : 00121523) who retires by rotation and being eligible, offers himself for re-appointment.		

* Applicable for investors holding shares in electronic form.

Signed this________________day of __________________2019   Signature of shareholder

Affix Revenue Stamp of Appropriate Value

________________________   ___________________________   _________________________

Signature of first Proxy holder   Signature of second Proxy holder   Signature of third Proxy holder

Notes:-

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**
2. **A Proxy need not be a member of the Company.**
3. A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. This is only optional, please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of Joint-holders, the signature of any one holder will be sufficient, but names of all the Joint-holders should be stated.

If Undelivered Please Return To :

RAJKUMAR FORGE LIMITED

Registered Office:
Office No. 511 to 513,
Global Square, S. No. 247, 14B,
Yerawada, Pune - 411006.
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