

RAJKUMAR FORGE LIMITED



24TH ANNUAL REPORT

BOARD OF DIRECTORS	:	S.PADMANABHAN PRADEEP BHARGAVA SWASTIK SIRSIKAR SHANTANU.R.KOTHAVALA R.S.KOTHAVALA	Chairman Managing Director
COMPANY SECRETARY	:	VIJAY.V. KULKARNI	
AUDITOR	:	M/S BAPAT & COMPANY CHARTERED ACCOUNTANT PUNE	
COST AUDITOR	:	MRS.VARSHA.S.LIMAYE COST ACCOUNTANT	
BANKERS	:	BANK OF BARODA	
REGISTRAR AND TRANSFER AGENTS		LINK INTIME INDIA PRIVATE LIMITED BLOCK NO 202, 2 ND FLOOR AKSHAY COMPLEX ,NEAR GANESH TEMPLE, DHOLE PATIL ROAD,PUNE – 411 001 PHONE NO : (020)26160084,26161629 TELE FAX : 020 –26163503 E-MAIL : pune@linkintime.co.in WEBSITE : www.linkintime.com	
REGISTERED OFFICE	:	18,SHIVAJI CO-OP HOUSING SOCIETY OFF SENAPATI BAPAT ROAD, PUNE 411 016 PHONE (020) 25639050 / 51 / 52 FAX : (020) 25639049 E-MAIL:-secretarial @rkforge.in invest@rkforge.in WEBSITE : www.rkforging.co	
FACTORY	:	GAT NO 357,KHARABWADI CHAKAN- TALEGAON ROAD CHAKAN- 410501, TALUKA- KHED DISTRICT-PUNE	

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

CONTENTS	PAGE
Notice.....	1
Instructions And Other Information Relating To E-Voting	6
Management Discussion and Analysis	8
Corporate Governance Report	9
Directors Report	14
Auditors Report	16
Balance Sheet	18
Profit and Loss Account	19
Cash Flow Statement	20
Notes to Accounts forming part of the Financial Statements	21

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of Rajkumar Forge Limited will be held on Monday the 11th day of August 2014 at 10.00 A.M. (IST) at Poona Club Limited, 6 Bund Garden Road Pune-411001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and Profit and Loss Account for the year ended as on that date together with Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Shantanu.R.Kothavale who retires by rotation and being eligible , seeks re-appointment.
3. To consider and , if thought fit, to pass with our without modification following resolution as an **ORDINARY RESOLUTION:-**

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

SPECIAL BUSINESS

4. Appointment of Mr.S.Padmanabhan (DIN No 00001207) as Independent Director

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

“RESOLVED THAT pursuant to the provisions of section 149 ,152 and any other applicable provisions of the Companies Act,2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act,2013 , Mr.S.Padmanabhan ,be and is hereby appointed as an Independent Director of the Company with effect from 11th August , 2014 to 10th August ,2019 not liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 149,197 and other applicable provisions of the Companies Act,2013 and other applicable provisions of the Companies Act,2013 and rules made there under Mr.S.Padmanabhan be paid such fees ,remuneration and profit related commission as the Board may approve from time to time and subject to such limits ,prescribed or as may be prescribed from time to time.”

5. Appointment of Mr.Swastik Sirsikar (DIN No 00552722) as Independent Director

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

“RESOLVED THAT pursuant to the provisions of section 149 ,152 and any other applicable provisions of the Companies Act,2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act,2013 , Mr.Swastik Sirsikar ,be and is hereby appointed as an Independent Director of the Company with effect from 11th August , 2014 to 10th August ,2019 ,not liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 149,197 and other applicable provisions of the Companies Act,2013 and other applicable provisions of the Companies Act,2013 and rules made there under Mr.S.Padmanabhan be paid such fees ,remuneration and profit related commission as the Board may approve from time to time and subject to such limits ,prescribed or as may be prescribed from time to time.”

6. Appointment of Mr.Pradeep Bhargava (DIN No 00525234) as Independent Director

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

“RESOLVED THAT pursuant to the provisions of section 149 ,152 and any other applicable provisions of the Companies Act,2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with schedule IV to the Companies Act,2013 , Mr.Pradeep Bhargava ,be and is hereby appointed as an Independent Director of the Company with effect from 11th August , 2014 to 10th August ,2019 ,not liable to retire by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 149,197 and other applicable provisions of the Companies Act,2013 and other applicable provisions of the Companies Act,2013 and rules made there under Mr.S.Padmanabhan be paid such fees ,remuneration and profit related commission as the Board may approve from time to time and subject to such limits ,prescribed or as may be prescribed from time to time.”

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

**Place: Pune
Date: 30th May,2014**

**R.S.KOTHAVALA
MANAGING DIRECTOR**

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**
- 2) No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is shareholder of the Company, unless a copy of the resolution appointing him/her as a duly authorized, representative certified to be true copy by a Chairman of the meeting at which it was passed shall have been deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 3) A brief profile of Directors retiring by rotation and being eligible for re-appointment is included in the Corporate Governance Report, which forms part of Directors' Report and shareholders are requested to refer to the same. The Board of Directors of the Company recommends their respective re-appointments.
- 4) Bapat and Company , Chartered Accountant have conducted Statutory Audit of the Company from inception twenty four years have conveyed their inability to undertake statutory audits of the company for the year 2014-2015 hence the Board of Directors of the Company after considering the recommendation of the Audit Committee of the Company, recommended appointment of Haribhakti and Company having Firm Registration No 103523W as Statutory Auditors of the Company.
- 5) Members who hold shares in dematerialized form are requested to bring their CLIENT ID and DP ID numbers for easy identification of attendance at the meeting.
- 6) Members holding equity shares in dematerialized form are requested to intimate change in their address, bank details etc. to their respective DPS. Those members holding shares in physical form are requested to advise Link Intime India Private Limited, Registrar and Transfer Agent of the Company having its office at " Block No ,202 Second Floor, Akshay Compalex, Dhole Patil Road, Pune-411001 immediately of any change in their address.
- 7) The Register of Members and Share Transfer Books of the Company will remain close from Tuesday 5th day of August,2014 to Monday, 11^h day of August,2014 (both days inclusive).
- 8) Members may avail of the facility of dematerialization of equity shares by opening demat accounts with Depository Participants of either National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL) and get the equity share certificates dematerialized. The ISIN No of the Company is INE-013J01016.
- 9) Those members who have not encashed /received the dividend warrants for the previous years may approach the Secretarial Department at the Registered Office of the Company for claiming un-paid / un-claimed dividend.
- 10) Dividend which remain unclaimed / un-encashed for a period of 7 years will be transferred by the Company to Investor Protection Fund (IEPF) constituted by the Central Government, under Section 205A and 205C of The Companies Act,1956, no claim by the shareholder shall lie for un-encashed dividend transferred to IEPF.
- 11) Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to Company at its' Registered Office at least 7 days before the date of the meeting, so that the required information to the extent possible can be made available at the meeting.
- 12) Members are requested to bring their copies of Annual Report to the Meeting. In case of joint holders attending the meeting, only such joint holders who is higher in order of names will be entitled to vote. Members /proxies attending the meeting should bring the Attendance Slip, duly filled in for handing over at the venue of the meeting.
- 13) Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company.
- 14) Members are requested to intimate to Link Intime India Private Limited, Registrar and Transfer Agents of the Company their e-mail address for sending notice /documents through e-mail as per directives issued by Government of India, Ministry of Corporate Affairs , vide Circular No 17/2011 dated 21.04.2011.
- 15) As per Circular No MRD/DOP/CIR-05/2009 MAY 20,2009 issued by Securities and Exchange Board of India (SEBI) it is mandatory to quote Permanent Account Number (PAN) for participating in securities market.
- 16) Explanatory statement pursuant to Section 102 of the Companies Act 2013 forms part of this notice
- 17) Further a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- 18) In terms of Section 101 and 136 of the Companies Act,2013 read together with rules made there under , a listed company may send the notice of Annual General Meeting and Annual Report ,including financial statement ,Board Report etc. by electronic mode.
- 19) Pursuant to Section 72 of the Companies Act,2013 ,shareholders holding shares in physical form may file nomination form in the prescribed form SH-13 with the Companies Transfer Agent, Link Intime India Private Limited.

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

**Place: Pune
Date: 30th May,2014**

**R.S.KOTHAVALA
MANAGING DIRECTOR**

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

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

Item No 4, 5, & 6 :

At present Company has following Independent Directors;

1. Mr.S.Padmanabhan
2. Mr.Pradeep Bhargava
3. Mr.Swastik Sirsikar

within the meaning of Section 2 (47) read with section 149 (6) of the Companies Act, 2013 . Further as per Section 149 (10) of the Companies Act, 2013 an Independent Director shall hold office for a term up to five consecutive years .

The Securities and Exchange Board of India (SEBI) has amended clause 49 of the Listing Agreement inter alia stipulating the conditions for appointment of Independent Director by Listed Company which will be applicable with effect from 1st October,2014.

As all the existing Independent Directors meet the criterion of Independent Directors as per Section 149(6) of the Companies Act,2013 and as per clause 49 of the Listing Agreement , it is proposed to appoint all of them as Independent Directors and define their terms of appointment at the ensuing Annual General Meeting as under

Sr. No	Name	DIN	Proposed Term (Years)	Period	
				From	To
1	Mr. S.Padmanabhan	00001207	5	11.08.2014	10.08.2019
2	Mr. Pradeep Bhargava	00525234	5	11.08.2014	10.08.2019
3	Mr. Swastik Sirsikar	00552722	5	11.08.2014	10.08.2019

None of the above Independent Directors is disqualified from being appointed as director in terms of Section 164 of the Companies Act,2013. All the above mentioned directors have given consent to act as such director.

The Company has received notices in writing from members along with deposit of requisite amount under Section 160 of the Companies Act 2013 proposing the candidature of each of 1) Mr.S.Padmanabhan 2) Mr.Pradeep Bhargava 3) Mr.Swastik Sirsikar for office of Director of the Company.

The Company has also received declaration from above directors that they meet the criterion of Independence both under sub-section 6 of the Companies Act,2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board , the above Independent Directors fulfill the conditions for appointment as specified under the Companies Act,2013 and Clause 49 of the Listing Agreement and all of them are independent of the management.

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

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

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

Mr.S.Padmanabhan , Mr.Pradeep Bhargava and Mr.Swastik Sirsikar are interested in the resolution set out respectively at item no 4 To item no 6.

The relatives of 1. Mr.S.Padmanabhan 2. Mr.Pradeep Bhargava 3. Mr.Swastik Sirsikar are interested in the resolution set out respectively at item no 4 to item no 6 to the extent of shareholding interest ,if any, in the company.

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

The Board commends the Ordinary Resolution set out at item no 4 to 6 of the Notice for approval by shareholders.

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

INSTRUCTIONS AND OTHER INFORMATION RELATING TO E-VOTING ARE AS UNDER :

1. Pursuant to provisions of Section 108 of the Companies Act,2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 (the Rules) and Clause 35B of the Listing Agreement ,the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the notice convening the 24th Annual General Meeting to be held on Monday, 11th day of August,2014 at 10.00 A.M . at Poona Club, 6, Bund Garden Road, Pune-411001. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide e-voting facility.
2. These details and instructions form an integral part of Notice for the Annual General Meeting to be convened on 11th day of August,2014.
3. The e-voting facility will be available during the following period

Commencement of e-voting	End of e-voting
4 th August,2014	6 th August,2014

During this period ,shareholders of the Company holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL after e-voting period ends.

4. The e-voting facility can be availed by typing the link www.evotingindia.com in the internet browser.
5. Click on shareholders tab
6. Now select the Company name from the drop down menu and click on “ SUBMIT”
7. Now enter your User Id
 - A. For CDSL : 16 digit beneficiary id
 - B. For NSDL : 8 characters of DP ID followed by 8 digits of Client ID
 - C. Members holding shares in Physical Form should enter folio no registered with the Company.
8. Next enter the image Verification as displayed and Click on Login
9. If you are holding shares in demat form and had logged on to and voted on earlier voting of any company ,then your existing password is to be used.
10. If you are first time user follow the steps given below :

	For members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha – numeric PAN Issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not up-dated their PAN with the Company /Depository Participants are requested to use the first two letters of their name and last eight digits of the demat account / folio no in the PAN field. • In case the folio no is less than eight digits enter the applicable no of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Suresh Kumar with folio no 100 then enter SK00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio respectively in dd/mm/yy format
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio respectively. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter member id /folio number in the Dividend Bank details field

11. After entering these details appropriately , click “ SUBMIT” TAB.
12. Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach “ Password Creation “ menu, wherein they are required to mandatorily enter there login password in 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.

13. For Members holding shares in physical form, the details can be used only for e-voting on resolutions contained in this notice.
14. On the voting page you will see " RESOLUTION DESCRIPTION" and against the same the option " YES/NO" for voting . Select option Yes or No as desired. Option YES implies that you assent to the Resolution and Option NO implies you dissent to resolution.
15. Click on the " RESOLUTION FILE LINK" if you wish to view entire Resolution details.
16. After selecting the resolution you decided to vote on ,Click on " SUBMIT " . A confirmation box will be displayed. . If you wish to confirm your vote on resolution ,click on " OK" else to change your vote click on " CANCEL" and accordingly modify your vote.
17. Once you CONFIRM your vote on resolution , you will not be allowed to modify your vote.
18. You can also take out print of the voting done by you by clicking on " Click here to print" option on the Voting Page.
19. Shareholders holding multiple folios /demat account shall choose the voting process separately for each folio /demat account.
20. If demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
21. Institutional shareholders (other than individuals, ,HUF,NRI etc.) are required to log on to [https://www.evotingindia .co.in](https://www.evotingindia.co.in) and register themselves as corporate .
 - They should submit scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to [helpdesk.evoting @cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
 - They should up-load a scanned copy of the Board Resolution and Power of Attorney (POA) Which they have issued in favor of the Custodian if any, in PDF format in the system for scrutinizer to verify the same.

In case you have any queries or issue regarding e-voting, you may refer to Frequently asked questions (" FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

22. In terms of clause 35B of the Listing Agreement ,those members who do not have access to e-voting facility are requested to fill in the Physical Ballot Form enclosed with the notice and submit the same in a sealed envelop to the scrutnizer, Mr. Neelkanth .G. Limaye, Practicing Company Secretray, Unit: RAJKUMAR FORGE LIMITED c/o Link Intime India Private Limited , Block No 202,2.nd Floor, Akshay Complex ,Near Ganesh Temple, Off Dhole Patil Road,Pune-411001, so as to reach on or before 5.00 P.M. on 1st August,2014. Unsigned ,incomplete or incorrectly ticked forms are liable to be rejected and decision of the Scrutnizer on the validity of the Form will be final.

In the event member cast votes through both the processes i.e E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the physical ballot form would be ignored.

Mr. Neelkanth G. Limaye ,Practicing Company Secretary (Membership No FCS2536) has been appointed as the scrutnizer to scrutinize the e-voting process (including the voting through physical ballot form received from members) in a fair and transparent manner.

The scrutnizer shall with in a period of not exceeding three working days from conclusion of the e-voting period unlock the votes in the presence of at least two witness , not in the employment of the Company and make Scrutnizer's Report of the votes cast for or against, if any forthwith to the Chairman of the Company.

The voting rights shall be in proportion to their shares of the paid up equity capital of the Company on 1st of August,2014.

The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutnizer's Report shall be placed on the Company's website www.rkforging.com and on the website of CDSL with in two days of passing of the resolutions at 24th Annual General Meeting of the Company and will be communicated to the Bombay Stock Exchange Limited with in prescribed time.

FOR AND ON BEHALF OF THE BOARD

R.S.KOTHAVALA
MANAGING DIRECTOR

Place : Pune

Date: 30th May,2014

MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS

Manufacturing Industry is vital for development of Indian economy. The year 2013-2014 has shown moderate economic growth. In the year 2013-2014 GDP growth was at 4.3% as compared to 2012-2013 which was at 5%. Forging Industry serves needs of automobile and heavy engineering industry. Products of the Company are related to Heavy Engineering and Machine Building Industry which is a core sector.

OPERATIONS & FINANCIAL PERFORMANCE :

Sales and profit performance for the year ended 31st March, 2014 is. Following is the summary of performance.

Year	2013-2014 (Rs.in Lacs)	2012-2013 (Rs.in Lacs)
Sales	3223.84	4083.70
Cost of operation	2985.95	3362.90
Interest & Depreciation	181.82	174.48
Profit before Tax	56.07	546.32
Provision for Taxation	30.76	(3.11)
Net Profit after Tax	25.31	549.43

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

Year	Export Value (Rs.)	Total Sales Value (Rs.)	% Export	% Export Growth/ (decline)
2011-2012	511,183,411	555,305,147	92.05	4.57
2012-2013	360,518,205	408,370,315	88.28	(3.77)
2013-2014	302,029,357	322,384,062	93.69	5.41

GENERAL:

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

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

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

INTERNAL CONTROL SYSTEM & ITS' ADEQUACY :

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

CONCERN & THREATS:

The economies of the western countries are showing signs of slow recovery .The Companies export account for about 90.00.% of the total business. International buyers are regular in placing orders to the Company.

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

OUTLOOK:

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

CAUTIONARY STATEMENT

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

HUMAN RESOURCES:

The Company has a strength of 80 employees as on 31st March,2014. The Company continues to maintains cordial relations with its' employees. The key focus of the Company is all around development of the employees. The Board places on record its appreciation for the sustained efforts and contributions made by the staff at all levels during the year under review.

APPRECIATION

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

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

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

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 and to the best of my knowledge and belief :
 - (i) these statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief no transactions entered in to by the Company during the year ended 31st March, 2014 , which are fraudulent , illegal or violative of the Company's code of conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and Audit Committee , deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps that have been taken or proposed to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee :
 - (I) Significant changes in internal control over financial reporting during the year .
 - (II) Significant change in accounting policies during the year and that the same have been disclosed in the notes to financial statement; and
 - (III) Instances of significant fraud of which I am aware and the involvement there in ,if any , of the management or an employee having a significant role in the companies internal control system over financial reporting

Place: Pune
Date: 30th May,2014

R.S.KOTHAVALA
MANAGING DIRECTOR

REPORT ON CORPORATE GOVERNANCE

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

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

This chapter of the Report plus the information given under the Management Discussion and analysis and Shareholder Information constitutes the report on Corporate Governance for the Year 2013-2014.

2. Board Level Issues

• Composition of Board

The Board of Directors consists of Five Directors as on 31st March 2014, comprising of Chairman who is a non-executive Director, Managing Director who is an executive director. The other three (3) Directors are non-executive, and all of them are independent. Details are given in Table 1.

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

Sr.No	Date of Board Meeting
1	13 th May,2013
2	12 th August,2013
3	8 th November,2013
4	8 th February,2014

Director’s attendance Record

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

Table 1

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

*Independent Director means a director who apart from receiving director remuneration dose not have any pecuniary relationship or transactions with the Company ,its’ promoters ,its management or its subsidiaries ,which in the judgment of the board may affect independence of judgment of directors.

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

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

OUTSIDE DIRECTORSHIP

Name of Director	Directorship in Public Limited Companies	Directorship in Private Limited Companies
R.S.Kothavale Managing Director	0	02
S.Padmanabhan Chairman	06	01
Pradeep Bhargava	08	01
S.R.Kothavale	0	0
Swastik Sirsikar	02	01

None of the Directors is a member of more than 10 Board level committees of Public Companies in which they are Directors, nor is Chairman of more than five such Committees.

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

1. Apart from receiving Director’s remuneration ,do not have any material pecuniary relationships or transactions with the company, its promoters, its’ directors, Its senior management which may affect independence of Director.
2. Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
3. Have not been executive of the Company in the immediately preceding three financial years.
4. Are not partners or executives or were not partners or executives during the preceding three financial years :
 - a) Statutory audit firm or the internal audit firm that is associated with the Company.
 - b) Legal firm and consulting firm that have a material association with the Company.
5. Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the directors.
6. Are not substantial shareholders of the Company i.e do not own two percent or more of block of voting power.
7. Is not less than 21 years of age

INFORMATION PLACED BEFORE THE BOARD

The Board of Rajkumar Forge Limited is presented with all relevant information on various vital matters affecting the working of the Company in addition to the matters set out in Annexure IA of Clause 49 of the Listing Agreement. Also extensive information

is provided on various critical matters such as production, sales, export, financial performance ,foreign exchange exposure, staff matters, legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters, and other such matters with detailed notes along with agenda papers.

3 AUDIT COMMITTEE

The role and terms of reference of the Audit Committee covers the matters specified under Clause 49 of the Listing Agreement with the Stock Exchanges, Section 292A of the Companies Act, 1956 other terms as may be referred by the Board of Directors and interalia includes the following :

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

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

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

Sr.No	Date of Board Meeting
1	13 th May,2013
2	12 th August,2013
3	8 th November,2013
4	8 th February,2014

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

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

4. REMUNERATION COMMITTEE

The present Remuneration Committee comprises of three non-executive Independent Directors. viz Mr.Pradeep Bhargava, Mr.Swastik Sirsikar are Mr.S.Padmanabhan are members of Remuneration Committee, with Mr.S. Padmnabhan as Chairman of the Committee.

The terms of reference of the remuneration committee are as follows:

- To decide on the remuneration policy of the managerial personnel
- To approve the appointment/re-appointment of the managerial personnel for such tenure as they may decide.
- To approve the remuneration package to the managerial personnel within the limits provided in Schedule XIII of the Companies Act, 1956 read with other applicable provisions of the said Act.

Such other powers/functions as may be delegated by the Board from time to time.

During the year there was no occasion for the Remuneration Committee Meetings to meet:-

Attendance of the members of Remuneration Committee meeting is given below:

Name of Director	Category	No of Audit Meetings held	No of Meetings Attended
S.Padmanabhan	Non-Executive Independent	NIL	NIL
Pradeep Bhargava	Non-Executive Independent	NIL	NIL
Swastik Sirsikar	Non-Executive Independent	NIL	NIL

REMUNERATION DURING THE YEAR 2013-2014

Name of Director	Salary (Rs.)	Perquisites (Rs.)	Sitting fees (Rs.)	Comm-ission	Total (Rs.)
R.S.Kothavale Managing Director	14,77,400	2,45,435	Nil	Nil	17,22,835
S.R.Kothavale	N.A	N.A	20,000	Nil	20,000
Pradeep Bhargava	N.A	N.A	80,000	Nil	80,000
Swastik Sirsikar	N.A	N.A	80,000	Nil	80,000
S.Padmanabhan	N.A	N.A	40,000	Nil	40,000
Total	14,77,400	2,45,435	2,20,000	Nil	19,42,835

Notes : Salary = Basic salary, Commission and Bonus only.

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

5. **COST AUDIT :-** Central Government Order No 52/26/CAB/2010 dated 30th June,2011 has issued circular requiring maintenance of cost records and audit of cost records required to be maintained relating to manufacture of steel (covered under Central Excise Tariff Act 1985, Chapter 72 & 73 and intermediate and allied products of industries) by practicing cost accountant from the financial year 2011-2012. However pursuant to Companies (Cost Records and Audit) Rules 2014 maintenance of cost audit records and audit thereof is not applicable to Company.

- a. Name & Address of Cost Auditor: Mrs.Varsha.S.Limaye
32,Navketan Society
Kothrud, Pune- 411058

6. INVESTOR/SHAREHOLDERS GRIEVANCE COMMITTEE

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

The Committee comprises of Mr.Swastik Sirsikar and Mr.R.S.Kothavale, executive Director. Mr.Swastik Sirsikar as Chairman of the Committee. The status of Complaints is reported to the Board of Directors at every Board Meeting. Mr.Vijay.V. Kulkarni, Comapany Secretary, Member of the Institute of Company Secretaries of India, is Compliance Officer. The Compliance Officer can be contacted at :

Rajkumar Forge Limited

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

The total number of complaints received and replied to the satisfaction of shareholders and SEBI during the year ended 31st March 2013 were seven. There were no complaints pending as on 31st March, 2013.

7. GENERAL BODY MEETINGS:

Date	Location	Time
30 th September,2011	Poona Club,6 Bund Garden Road Pune-1	11.00 A.M
11 th August, 2012	Poona Club,6 Bund Garden Road Pune-1	10.30 A.M
12 th August,2013	Poona Club,6 Bund Garden Road Pune-1	12.00 Noon

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

No extraordinary general meeting was held during the year under review.

8. PARTICULARS OF REAPPOINTMENT OF DIRECTORS :

- 1. **MR.PRADEEP BHARGAVA:** Mr.Pradeep Bhargava is B.SC. (Honors) from Rajasthan University -Jaipur, B.E (Electronics) from Indian Institute of Science-Bangalore & PGDBA from Indian Institute of Management Ahmedabad. He has rich experience of working in Public and Private Sector. He has worked for Indian Space Research Organization , Automatic Energy Commission, Bharat Heavy Electrical Limited and has also worked as consultant to World Bank, Washington. He is visiting faculty in institutions like TMTC,IIFT, NIBM, YASHADA and Symbiosis Institute. He was Chairman CII, Pune during the year 2011-2012. He was the CEO of the lighting business of General Electric, Bangalore. He was Managing Director of Cummins Generator Technologies India Limited, Director Cummins India Limited. He is not holding any shares of the Company.

He is on the Board of Cummins Generator Technologies, Josts Engineering Limited, Cummins Technologies (India) Limited, Torrent Pharmaceutiles Limited, Persistent System Limited.

He is not related to any of the Promoters of Rajkumar Forge Limited or the existing Directors of the Company.

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

He is holding 10,04,100 (Ten lac four thousand and one hundred equity shares of the Company as on 31st March,2014 and his shareholding in the Company is 9.18% of the paid up equity capital of the Company. He is related to the promoter Director , Mr. R . S .Kothavale.

- 3. **Mr. S.PADMANABHAN:** Mr.S.Padmanabhan is M.SC Physics –Delhi University,Bachelor of General Laws – Bombay University ,Diploma in Developmental Economics-University of Cambridge(U.K), Diploma in Management-Bajaj Institute of Management Accounting Studies (Bombay University) . Being an IAS officer he worked as Chief Executive Officer ,Koyna Earthquake Rehabilitation in Satara, Director of Tourism, Government of Maharashtra, Director – Dept of Automic Energy- Government of India, Managing Director of the State Industrial & Investment Corporation of Maharashtra Ltd (SICOM), Commissioner Aurangabad Division. He is also having rich experience as Corporate Advisor to Chhabria Group, Bharat Forge, Dunlop , Deepak Fertilizers, Walchandnagar Industries Limited, Premier Automobiles Limited, Videocon Group. He is also on the Board of Videocon Industries Limited, and on the Board of other companies like Sudarshan Chemical Industries Limited, Desai Brothers Private Limited, Acqua Pharma Chemicals Private Limited, Sanghavi Movers Limited, Force Motors Limited,.

He is holding not holding any Equity Shares of the Company and is not related to

Promoters of Rajkumar Forege Limited.

- 4. **Mr.SWASTIK SIRSIKAR:** Mr.Swastik Sirsikar has done Diploma in Civil Engineering and Master in Business Administration and Diploma in Financial Management. He has the rich experience of 32 years in construction business. He is Director in Swank Engineering Private Limited and is on the managing committee of Poona Club Ltd. He is also member of various social services International NGOs holding responsible and key portfolios in the administrative capacities. He is holding 5100 Equity Shares of Rs.10/- each and his shareholding is 0.047%.

9. DISCLOSURES

- a. During the year under review, there has been no materially significant related party transactions with the Directors or management that may have potential conflict with the interests of the Company at large.
- b. During the last three years, there were no strictures or penalties imposed by either SEBI or the stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

- c. Equity shares of the company continues to be listed on The Bombay Stock Exchange Limited, having nationwide trading terminals. The Stock code of the Company is 523261.
- d. The National Securities Depository Services Limited (NSDL) and Central Depository Services (India) Limited (CDSL) continues to admit the equity shares of the Company for dematerialization.

The company is framing whistle blower policy.

Your Company conforms to the mandatory norms of Corporate Governance as envisaged in the Companies Act, 1956 and in the Listing Agreement entered into with The Bombay Stock Exchange Limited . A report on Corporate Governance, along with the certificate of compliance from the Auditors forms part of this report. The company has not adopted the non-mandatory requirements as mentioned in Annexure ID of Clause 49 of the Listing Agreement.

10. MEANS OF COMMUNICATION

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

- a. Audited Financial Results for the period ended on 31.03.2013 on 14.05.2013.
- b. Unaudited Financial Results – First Quarter ended on 30.06.2013 on 13.08.2013.
- c. Unaudited Financial Results –Second Quarter ended on 30.09.2013 on 09.11.2013.
- d. Unaudited Financial Results –Third Quarter ended on 31.12.2013 on 09.02.2014.

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

11. GENERAL SHAREHOLDER INFORMATION :

• **Annual General Meeting:**

- I) Date and Time : 11th August, 2014 at 10 A.M.
Venue : Poona Club Limited,
6 Bund Garden Road,
Pune-411001
- II) Financial Year : 1st April,2013 to 31st March,2014
- III) Date of Book Closure : 5th August ,2014 to 11th August 2014 (both days inclusive)
- IV) Dividend Payment date : The Board of Directors has not recommended dividend in view of in adequate profits.
- V) Listing on Stock Exchanges : The Company's shares are listed on The Bombay Stock Exchange Limited and Stock Code is : 513369

VII) Market Price Data : High / Low of market price of the Company's shares traded on The Bombay Stock Exchange Ltd, Mumbai during the period from April,2013 to March,2014 is furnished below :

Month	High (Rs.)	Low (Rs.)	Volumes	Month	High (Rs.)	Low (Rs.)	Volumes
April, 2013	18.50	14.60	1,753	October, 2013	17.50	14.05	20,793
May, 2013	18.80	14.75	12,436	November, 2013	18.65	14.10	10,873
June, 2013	19.00	16.05	6,901	December, 2013	19.70	16.20	17,476
July, 2013	19.35	16.20	12,756	January, 2014	18.70	16.20	12,514
August, 2013	15.95	14.30	2,790	February, 2014	17.75	14.45	6,168
September, 2013	17.50	15.75	3,173	March, 2014	15.17	13.10	17,516

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

VIII) Registrar and Transfer Agents :

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

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

Pune Office : Block No 202, Second Floor, Akshay Complex, Dhole Patil Road, Pune –411001 Telephone No 020- 26160084, 26161629, 26051629 Telefax : 020 - 26053503 E-mail ID :pune@intimespectrum.com

Share Transfer System:

The Board has constituted Share Transfer Committee by delegating the power of share transfer severally to Mr.Rajkumar S.Kothavale, Managing Director and Mr.Swastik Sirsikar, Director under Clause 49 (IV) (G) (iv) of the Listing Agreement with a view to facilitate quicker transfer and dematerialization of equity shares . The Committee meets on a weekly basis to consider and approve the transfer, transmission, consolidation, sub division and issue of duplicate certificates. The Company's

R & T Agent M/s Link Intime India Private Limited issues share certificate of transfer to the shareholders within 15 (fifteen) days of receipt of certificate for transfer, excepting those rejected on technical grounds . There are no legal proceedings against the Company on any share transfer matter.

IX) Distribution of shareholding :

Distribution Schedule

Distribution of shareholding as on 31st March, 2014

Shareholding of Nominal Value Rs.	Shareholders Number	Shareholders % to Total	Share Amount in Rupees	Share Amount % to Total
Up to 5000	12,209	99.3733	2,460,569	22.4927
5,001 to 10,000	31	0.2523	2,57,555	2.3544
10001 to 20,000	20	0.1628	2,73,699	2.5020
20001 to 30000	4	0.0326	93,600	0.8556
30001 to 40000	Nil	Nil	Nil	Nil
40001 to 50000	6	0.0488	3,00,000	2.7424
50001 to 1,00,000	6	0.00488	3,95,777	3.6179
1,00,001 and above	10	0.12532	7,158,200	65.4350
Total	12,286	100	109,394,000	100

Shareholding Pattern (as on 31st March, 2014)

Serial No	Category	No of shares	% of shareholding
A	Promoters holding		
1	Promoters		
	Indian Promoters	7,436,900	67.98
	Foreign Promoters	-	-
	Sub Total	7,436,900	67.98
B	Non-Promoter's Shareholding		
2.	Institutional Investors		
A	Mutual Funds and UTI	Nil	Nil
B	Banks, Financial Institutions , Insurance Companies	100	0.01
C	FIIS	Nil	Nil
	Sub Total	100	0.01
3	Others		
A	Private Corporate Bodies	44,701	0.408
B	Indian Public	3,352,067	30.64
C	NRIS / OCBS	1,01,550	0.927
D	Any Others	4,082	0.0373
	Sub Total	3,502,400	32.02
	Grand Total	10,939,400	100.00

X) Dematerialization of Shares :

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

As on 31st March , 2014 10,62,200 equity shares viz 9.70 % of the paid -up equity share capital has been dematerialized.

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

Not issued.

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

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

1. Link Intime India Private Limited:

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

Pune Office : : Block No 202, Second Floor ,
Akshay Complex, Dhole Patil
Road, Pune -411001
Telephone No (020)26163503, 26051629
E-mail ID : pune@intimespectrum.com

2. The Company Secretary

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

Directors Responsibility Statement

Pursuant to the requirements of Section 217 (2AA) of the Companies Act,1956 with respect to Directors Responsibility Statement , it is hereby confirmed :-

- (1) That in the preparation of the accounts for the financial year ended 31st March ,2014 the applicable accounting standards have been followed along with proper explanation to material departures ;
- (2) That the directors have selected such accounting policies and have applied them consistently and have made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of profits or loss of the company at the end of the financial year and of the profits or loss of the company for the year under review.
- (3) That the directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of Companies Act,1956 for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;
- (4) That the directors have prepared the annual accounts for the financial year ended 31st March,2014 on a "going concern" basis.

Code of Conduct

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

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

For and on behalf of the Board of Directors

Place : Pune
Date :30th May, 2014

RAJKUMAR.S.KOTHAVALA
Managing Director

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their Twenty Fourth Annual Report with Audited Accounts of the Company for the year ended 31st March 2014.

FINANCIAL HIGHLIGHTS

	31.03.2014 (Rs.Lacs)	31.03.2013 (Rs. Lacs)
Profit /(Loss) for the year before interest, Financial Charges & Depreciation Less :	237.88	720.80
Interest, Financial Charges for the year	101.48	101.41
Depreciation	80.34	73.07
Profit/ (Loss) for the year	56.06	546.32
Add/ (Less) Provision for Income Tax	(10.07)	(80.00)
Add / (Less) Deferred Tax	(20.06)	83 .11
Net Profit/(Loss) for the period	25.31	549.43

DIVIDEND :

In view of substantial drop in profits as compared to last year , your Directors do not recommend a divided for the financial year ended 31st March,2014.

OPERATIONS:

During the year under consideration, customer order position was not satisfactory. Sales income is at Rs. 3223.84 Lacs compared to previous years Rs.4083.70 Lacs . Exports decreased from Rs. 3605.18 Lacs (previous year) to Rs 3020.29 Lacs. The Company has earned net profit of Rs.25.31 Lacs during the financial year 2013-2014.

CAPACITY EXPANSION AND MODERNISATION

The Company has initiated a program of modernization of heat treatment facilities and press modernization to remove constraints in production and improve turnover of the company with planned capital expenditure. The capital expenditure will be partly funded by internal accruals. With this expansion the turnover of the Company can reach Rs.70 Crores.

CORPORATE SOCIAL RESPONSIBILITY

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

PUBLIC DEPOSITS:

During the period under review your company was not having a scheme of accepting fixed deposits from the public.

CLARIFICATION ON AUDIT QUALIFICATIONS:

There were no audit qualifications raised by the Statutory Auditors.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, your directors confirm that:

- 1) In the preparation of the Annual Accounts for the financial year ended March 31, 2014 , the applicable accounting standards have been followed along with proper explanations relating to material departures ,if any.
- 2) The Directors have selected accounting policies and have applied them consistently and have made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for the financial year under review .
- 3) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) The Directors have prepared the annual accounts for the financial year ended March 31, 2014 on " going concern basis".

DIRECTORS:

Mr Pradeep Bhargava retires by rotation at this Meeting and being eligible, offers himself for re-appointment. Mr.Shantanu .R. Kothavale retires by rotation at this Meeting and being eligible, offers himself for re-appointment. A brief resume and other details relating to the Directors who are to be re- appointed form part of Report on Corporate Governance.

AUDITORS:

You are requested to appoint Haribhakti and Company, to hold the office from the conclusion of ensuing Annual General Meeting for a period of five years, as statutory auditors of the Company in place of retiring auditors, M/s Bapat & Company, have conveyed their unwillingness for appointment.

PERSONNEL:

There are no employees in respect of whom particulars are required to be disclosed pursuant to Section 217 (2A) of Companies Act ,1956.

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

The additional information required under the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules ,1988 and forming a part to this report I is given in Annexure "A" to this report.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation for the co-operation extended by various Government Authorities , Financial Institution/s, shareholders.

FOR AND ON BEHALF OF THE BOARD

Place: Pune
Date: 30th May ,2014.

R.S.KOTHAVALA
MANAGING DIRECTOR

ANNEXURE TO THE DIRECTORS REPORT

ANNEXURE-A

Information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. Conservation of Energy

a. Energy conservation measures

- a. The Company has installed winflux an energy saving device .Company has undertaken press modernization program and use of clean energy resource viz gas to reduce pollution levels and increasing efficiency of furnaces.
- b. Impact of measures under (a) above : The Company has operated on optimal cost and is able to reduce energy cost.
- c. Total energy consumption and energy consumption per unit of production as per Form A of the Annexure to the Rules in respect of Industries specified in Schedule thereto

POWER AND FUEL CONSUMPTION

		2013-2014	2012-2013
1.	Electricity Purchase		
	Units (inKWH)	14,26,540	15,55,600
	Total Cost (Rs.)	11,285,430	12,450,100
	Rate/Unit (Rs.)	7.91	8.00
2.	Fuel		
	Oil Quantity (K.L)	1,632.62	1,898.66
	Total Cost (Rs.)	93,058,001	104,572,263
	Rate/K(Ltrs)	56,999	55,077

CONSUMPTION PER UNIT OF PRODUCTION

1.	Steel Forging Production (MT)	1785.392	2236.340
	Electricity (Unit- KWH)	799.00	695.60
	Fuel Oil (Ltrs)	914.43	849.00

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

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

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

C. Foreign Exchange Earnings and outgo

	2013-2014	2012-2013
Foreign Exchange inflow FOB value of Exports (Rs. Lacs)	3020.29	3605.18
Others	NIL	NIL
Foreign Exchange outflow (Rs. Lacs)	21.80	31.82

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF RAJKUMAR FORGE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **RAJKUMAR FORGE LIMITED**

(“the Company”) which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements **read with Note**

no 3B, 4 and 7 of notes forming part of financial statement 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:

- i. In the case of the balance sheet, of the state of affairs of the Company as at 31 March 2014; and
- ii. In the case of the statement of profit and loss, of the profit for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2003 (“the Order”), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account ;
 - d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For BAPAT AND COMPANY
Chartered Accountants
Firm Registration No. 100997W

A. N. Bapat
Partner
Membership No. 7524

Place: Pune
Date: 30th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our Report on Other Legal and Regulatory Requirements)

1. a) The Company has maintained records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets are physically verified by the management during the year as per a regular programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge and as represented to us by the management, no material discrepancies were noticed in respect of assets verified during the year.
- c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
2. a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have been substantially confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the records of inventory, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stock as compared to the records were not material.
3. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. As per the information given to us, no major weaknesses in the internal controls have been identified by the management or the internal auditors of the Company during the year. During the course of our audit, nothing has come to our notice that may suggest a major weakness in the internal control system of the Company.
5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, the transactions that needed to be entered into the register have been so entered.
 - b) According to the information and explanations given to us where each of such transactions is in excess of Rs.5,00,000/- (Rupees Five Lacs Only) in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time based on the circumstances explained by the Company.
6. The Company has not accepted deposits from the public. Hence, the question of the Company complying with the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under, does not arise.
7. In our opinion, the internal audit system carried out by an independent firm of Chartered Accountant is generally commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub section (1) of Section 209 of the Act, and are of the option that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. According to the information and explanations given to us and records of the company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities .
10. The Company has no accumulated losses as at 31st March 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date. The Company has not issued any debentures upto the balance sheet date.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/ mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanations given to us , the Company has given guarantee for loans taken by others from bank or financial institutions , the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company .
16. The Term Loan was applied for the purpose for which it was obtained.
17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, funds raised on short term basis have not been used for long term investments.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the Management.

For BAPAT AND COMPANY
Chartered Accountants
Firm Registration No. 100997W

A. N. Bapat
Partner
Membership No. 7524

Place: Pune
Date: 30th May, 2014

Balance Sheet as at 31st March , 2014

Particulars	Note No	As at 31/03/2014 (Rupees)	As at 31/03/2013 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	109,394,000	109,394,000
(b) Reserves and Surplus	2	126,461,784	125,484,027
(c) Money received against share warrants		0	0
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	969,555	2,942,868
(b) Deferred tax liabilities (Net)		0	0
(c) Other Long term liabilities		0	0
(d) Long term provisions	4	6,496,212	6,149,153
(4) Current Liabilities			
(a) Short-term borrowings	5	154,387,148	138,724,599
(b) Trade payables	6	29,401,979	23,923,379
(c) Other current liabilities	7	14,445,152	29,708,650
(d) Short-term provisions	8	5,474,035	15,421,678
Total		447,029,864	451,748,354
II. Assets			
(1) Non-current assets			
(a) <i>Fixed assets</i>			
(i) Tangible assets	9	116,235,238	76,547,074
(ii) Intangible assets		497,861	687,753
(iii) Capital work-in-progress		45,899,012	3,675,000
(iv) Intangible assets under development		0	0
(b) Non-current investments		0	0
(c) Deferred tax assets (net)		3,931,079	5,937,150
(d) Long term loans and advances	10	17,296,318	13,059,389
(e) Other non-current assets		0	0
(2) Current assets			
(a) Current investments		0	0
(b) Inventories	11	91,260,721	100,581,461
(c) Trade receivables	12	40,037,756	85,300,306
(d) Cash and cash equivalents	13	41,438,879	16,501,999
(e) Short-term loans and advances	14	27,593,516	56,164,418
(f) Other current assets	15	62,839,484	93,293,804
Total		447,029,864	451,748,354
Notes forming part of the Financial Statements	23		
		0	0

As per our report attached
For and behalf of the Board.
For BAPAT & COMPANY
Chartered Accountants

Firm Registration No 100997W

A. N. BAPAT
PARTNER

Membership No.7524

VIJAY.V.KULKARNI
COMPANY SECRETARY

Membership No. A20665

R.S.KOTHAVALA
MANAGING DIRECTOR

DIN NO. 00146524

SWASTIK SIRISIKAR
DIRECTOR

DIN NO. 00552722

Place:Pune

Date: 30th May, 2014

Profit and Loss statement for the Year Ended 31st March , 2014

Particulars	Note No	Year Ended 31/03/2014 (Rupees)	Year Ended 31/03/2013 (Rupees)
I. Revenue from operations	16	331,387,033	398,982,346
II. Other Income	17	(9,002,970)	9,387,969
III. Total Revenue (I +II)		322,384,062	408,370,315
<i>IV. Expenses:</i>			
Cost of materials consumed	18	117,727,544	161,491,463
Purchase of Stock-in-Trade		0	0
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(7,923,901)	(14,020,356)
Employee benefit expense	20	26,625,675	25,574,292
Financial costs	21	10,147,718	10,141,278
Depreciation and amortization expense	9	8,034,657	7,307,064
Other expenses	22	162,165,595	179,252,321
IV. Total Expenses		316,777,287	369,746,062
V. Profit before exceptional and extraordinary items and tax	(III - IV)	5,606,775	38,624,253
VI. Exceptional Items		0	16,008,023
VII. Profit before extraordinary items and tax (V - VI)		5,606,775	54,632,276
VIII. Extraordinary Items		0	0
IX. Profit before tax (VII - VIII)		5,606,775	54,632,276
X. Tax expense:			
(1) Current tax		1,070,000	8,000,000
(2) Deferred tax		2,006,071	(8,311,466)
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	2,530,704	54,943,742
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of discountinuing operations		0	0
XIV. Profit/(Loss) from Discontinuing operations		0	0
XV. Profit/(Loss) for the period (XI + XIV)		2,530,704	54,943,742
XVI Earning per Equity Share:			
1) Basic		0.23	5.02
2) Diluted		0.23	5.02
Notes forming part of the Financial Statements	23		

As per our report attached

For BAPAT & COMPANY

Chartered Accountants

Firm Registration No 100997W

For and behalf of the Board.

A. N. BAPAT

PARTNER

Membership No.7524

VIJAY.V.KULKARNI

COMPANY SECRETARY

Membership No. A20665

R.S.KOTHAVALA

MANAGING DIRECTOR

DIN NO. 00146524

SWASTIK SIRISIKAR

DIRECTOR

DIN NO. 00552722

Place:Pune

Date: 30th May, 2014

Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2014 (Rs.in '000)		For the year ended 31 March, 2013 (Rs.in '000)	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		5,607		38,624
<i>Adjustments for:</i>				
Depreciation and amortisation	8,035		7,307	
Provision for impairment of fixed assets and intangibles	0			
Amortisation of share issue expenses and discount on shares	0			
(Profit) / loss on sale / write off of assets	0		-12,639	
Expense on employee stock option scheme				
Finance costs	13,907		10,637	
Interest income	-1,180		-1,001	
Liabilities / provisions no longer required written back	0		-7,084	
Other non-cash charges (Short Provision for Taxation & refunds)	-1,553			
Net unrealised exchange (gain) / loss	6,424	25,632	1,179	-1,600
Operating profit / (loss) before working capital changes		31,239		37,025
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	9,321		-23,634	
Trade receivables	45,263		60,122	
Short-term loans and advances	28,571		-35,435	
Long-term loans and advances	-4,237		-8,021	
Other current assets	30,454		12,893	
Other non-current assets				
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	5,479		-8,671	
Other current liabilities	-15,263		-20,815	
Other long-term liabilities	0			
Short-term provisions	-9,948		9,036	
Long-term provisions	347	89,986	-19,888	-34,412
Cash flow from extraordinary items				
Cash generated from operations		121,225		2,613
Net income tax (paid) / refunds		-1,070		-8,000
Net cash flow from / (used in) operating activities (A)		120,155		-5,387
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	-89,757		6,551	
Proceeds from sale of fixed assets	0		13,650	
Interest received				
- Others	1,180		10,991	0
Net cash flow from / (used in) investing activities (B)		-88,577		31,191
C. Cash flow from financing activities				
Proceeds from long-term borrowings			-946	
Repayment of long-term borrowings	-1,973		-1,342	
Net increase / (decrease) in working capital borrowings	18,675		6,029	
Proceeds from other short-term borrowings	-3,013		-122	
Repayment of other short-term borrowings				
Finance cost	-13,907		-10,637	
Dividends paid			-16,409	
Tax on dividend			-2,662	
Net cash flow from / (used in) financing activities (C)		-217		-26,090
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		31,361		-286
Cash and cash equivalents at the beginning of the year		16,502		17,967
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-6,424		-1,179
Cash and cash equivalents at the end of the year		41,439		16,502
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 13)		41,439		16,502
Notes:				
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.				

As per our report attached

For and behalf of the Board.

For BAPAT & COMPANY
Chartered Accountants

Firm Registration No 100997W

A. N. BAPAT
PARTNER
Membership No.7524

VIJAY.V.KULKARNI
COMPANY SECRETARY
Membership No. A20665

R.S.KOTHAVALA
MANAGING DIRECTOR
DIN NO. 00146524

SWASTIK SIRISIKAR
DIRECTOR
DIN NO. 00552722

Place:Pune

Date: 30th May, 2014

Notes to Accounts forming part of the Financial Statements for the Year Ended ended on 31st March 2014

	Rupees	As at 31/3/2014 Rupees	Rupees	As at 31/3/2013 Rupees
EQUITY AND LIABILITIES				
Shareholders Funds				
1. Share Capital				
Authorized				
1,25,00,000 (P Y 1,25,00,000) Equity Shares of Rs. 10/- each		125,000,000		125,000,000
7,50,000 (P Y 7,50,000) 4% Redeemable Non Cumulative Preference Shares of Rs.10/- each		7,500,000		7,500,000
Total		132,500,000		132,500,000
Issued, Subscribed and Paid Up				
1,09,39,400 (P.Y:1,09,39,400) Equity Shares of Rs.10/- each, fully paid up		109,394,000		109,394,000
Equity Shareholding of more than 5%				
a) Rajkumar S. Kothavale (45,81,500 Shares) Previous Year				
a) Prasad Bapurao Rampure (6,40,000 Shares)				
b) Rajkumar S. Kothavale (49,55,100 Shares)				
Total		109,394,000		109,394,000
2. Reserves and Surplus				
a) Capital Redemption Reserve	5,000,000		5,000,000	
b) Other Reserves				
State Government Subsidy	3,000,000		3,000,000	
General Reserves as per last year	16,099,846		15,890,706	
add: Tranfer to General Reserve				
c) Surplus (balance in statement in profit & loss)				
As per last Account	101,593,321		68,487,849	
add: Excess (Short) provision for taxation and Tax refunds	(1,552,947)		0	
less: Prior Period Expencess	0			
add: Current years profit	2,530,704		54,943,742	
less: Appropriations;				
Transfer to General Reserve	209,140		2,767,190	
Proposed Dividend	0		16,409,100	
Tax on Proposed dividend	0		2,661,980	
		126,461,784		125,484,027
Non- Current Liabilities				
3. Long Term Borrowings				
a) Deffered payment liabilities (Refer Note No 5D)				
Sales Tax Deferral Loan (Unsecured)		969,555		2,311,570
b) Loans from Banks ;(Secured)				
Car Loans (Hypothecation against Car)		0		631,298
		969,555		2,942,868
4. Long Term Provisions				
a) Provision for employee benefit				
Gratuity	4,980,506		4,414,233	
Liability under the Payment of Gratuity Act, 1972 has been actuarially valued. However the liability is not funded externally.				
Leave encashment	1,495,706		1,270,740	
Privilege Leave entitlements Liability has been actuarially valued. However the liability is not funded externally.				
b) Others				
Provision for disputed liability of pending demands towards Sales tax				
In order to follow prudent disclosure and reporting norms the Company has made provision for disputed liability of pending demands towards sales tax amounting to Rs. Nil/-as per Sales Tax Department Order. (P.Y. Rs. 4,,44,,180/-)				
Deposits	20,000		444,180	
		6,496,212	20,000	6,149,153

	Rupees	As at 31/3/2014 Rupees	Rupees	As at 31/3/2013 Rupees
Current Liabilities				
5. Short Term Borrowings				
a) Loans repayable on demand (Refer Note No 4)				
1) from banks (working capital) secured Secured by way of hypothecation of the Company's Stocks and Book Debts, both present and future and also secured by charge on Company's immovable properties, both present and future, Personal Guarantee by the Managing Director of the Company Mr. R. S. Kothavale.	100,231,855		101,412,633	
2) FCNR Bank Of Baroda	53,523,995		33,667,759	
3) Car Loans Secured (Instalments repayable within one Year) (Repayable in monthly E.M.I.-Rs1,08,176/ for Six Months)	631,298		1,175,731	
b) Other loans and advances Sales Tax Deferral Loan (Unsecured) repayable within 1year	0	154,387,148	2,468,476	138,724,599
6. Other Current Liabilities				
a) Unpaid dividends on Equity Shares*	5,106,170		3,851,665	
b) Other Payables				
TDS payable	0		508,792	
Proposed Dividend on Equity Shares	0		16,409,100	
Tax on above Dividend	0		2,661,980	
Advances from Customers	5,013,225		2,203,113	
Forward Contract amount Payable to bank (Net)	4,325,757	14,445,152	4,074,000	29,708,650
The forward Contract outstanding as on 31st March'2014:				
Currency	Nos Of Contracts	Value in Foreign Currency		
USD	08 (PY 10)	28,50,000 (P.Y. 28,50,000)		
7. Trade Payables				
Balances of Sundry Creditors are taken as per ledger and are subject to confirmations / reconciliations.		29,401,979		23,923,379
8. Short Term Provisions				
a) Provisions for employee benefits				
Salary, Lic Payable, P.f,	0		133,627	
Bonus	810,000		781,200	
Provision for Expenses	4,664,035	5,474,035	14,506,851	15,421,678
ASSETS				
Non- Current Assets				

Schedule - 9 - Fixed Assets And Depreciation

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31/3/2013	Additions	Deductions	As at 31/3/2014	Up to 31/3/2013	Additions	Deductions	As at 31/3/2014	As at 31/3/2014	As at 31/3/2013
	TANGIBLE ASSETS										
A	Freehold Land	1,522,596	0	0	1,522,596	0	0	0	0	1,522,596	1,522,596
B	Buildings	34,898,853	0	0	34,898,853	10,013,845	1,058,483	0	11,072,328	23,826,525	24,885,008
C	Plant and Machinery	188,375,260	47,532,929	0	235,908,189	146,537,158	5,882,570	0	152,419,727	83,488,462	41,838,102
D	Furniture & Fixtures	4,964,072	0	0	4,964,072	1,657,481	288,115	0	1,945,596	3,018,476	3,306,591
E	Vehicles	6,479,973	0	0	6,479,973	1,485,197	615,597	0	2,100,794	4,379,179	4,994,776
	INTANGIBLE ASSETS										
A	Software	1,294,572	0	0	1,294,572	606,819	189,892	0	796,711	497,861	687,753
	TOTAL	237,535,326	47,532,929	0	285,068,255	160,300,501	8,034,657	0	168,335,156	116,733,099	77,234,827
	Previous Year Total	235,721,900	3,136,416	1,322,990	237,535,326	153,305,467	7,307,064	312,031	160,300,500	77,234,827	82,416,432

	Rupees	As at 31/3/2014 Rupees	Rupees	As at 31/3/2013 Rupees
10. Long Term Loans & Advances				
a) Capital Advances;	13,931,788		9,053,683	
b) Security Deposits;				
M.S.E.B	2,540,130		2,540,130	
Telephones	8,400		8,400	
Others	816,000		816,000	
c) Other Loans & Advances ;				
i) Excise Deposit under Protest	0	17,296,318	641,176	13,059,389
<u>Current Assets</u>				
11. Inventories (Lower of Cost and net realizable value)				
a) Raw Materials; (Weighted Average basis)	24,856,911		41,917,925	
b) Work in Progress	57,763,427		51,031,308	
c) Finished Goods				
d) Stores, Spares & Loose tools	8,640,383	91,260,721	7,632,228	100,581,461
Inventories are stated at lower of cost and net realizable value. The material costs are determined on weighted average basis/FIFO as applicable. The valuation of Work in progress and Finished goods represents the combined cost of material, labour and all manufacturing overheads.				
12. Trade Receivables				
Trade receivable outstanding (secured, considered good)				
a) Debtors within six months	38,651,158		84,123,706	
b) Others	1,386,598	40,037,756	1,176,600	85,300,306
Balances of Sundry Debtors are taken as per ledger and are subject to confirmations / reconciliations.				
13. Cash and Cash Equivalents				
a) Balances with Banks				
i) In Current Accounts	20,043,146		44,270	
ii) In Fixed Deposits towards Margin (within 1yr)	3,654,720		0	
iii) Bank Deposits with more than 12 months maturity	12,500,000		12,500,000	
iv) Earmarked balances with HDFC bank for unpaid dividend	5,106,170		3,851,665	
v) EFC a/c	0		0	
	TOTAL		16,395,935	
b) Cash on Hand	134,843	41,438,879	106,064	16,501,999
14. Short-term loans and advances				
a) Loans & Advances to related parties				
i) Orient Precision Engineering Pvt Ltd.	12,381,365		18,172,620	
ii) Advances to suppliers	1,127,676		17,098,984	
iii) Excise Deposits against Exports	14,043,150		20,884,074	
iv) Staff Advances	41,325		8,740	
v) Interest Accrued but not recd on FD	0	27,593,516	0	56,164,418
15. Other Current Assets				
i) Export Benefit Receivable	0		850,625	
ii) Prepaid Expenses	1,512,839		378,940	
iii) Others				
a) Income Tax (Net of Provision)	9,291,536		5,696,129	
b) Octroi & Other	0		195,050	
c) Sales Tax Refund and Deposits	37,180,054		65,087,259	
d) Balance with Customs and Central Excise Department	13,031,333		20,898,089	
e) Cenvat Credit Deferred	1,823,722	62,839,484	187,712	93,293,804

	Rupees	As at 31/3/2014 Rupees	Rupees	As at 31/3/2013 Rupees
16. Revenue From Operations				
a) Sale of Products ;				
i) Sale of Forgings Export (FOB value of Export)	302,029,357		360,518,205	
ii) Sale of Forgings Domestic	9,246,593		9,159,755	
iii) Sale of Scrap	10,898,193	322,174,143	9,529,475	379,207,435
<p>Sale of goods is recognized at the point of dispatch to the customer. Sales include excise duty but exclude value added tax/sales tax. In order to comply with the Accounting Standards Interpretation (ASI-14) issued by the Institute of Chartered Accountants of India, gross sales (including excise duty) and net sales (excluding excise duty) is disclosed in the profit and loss account.</p>				
b) Sale of Services ; Sale Conversion Basis		3,261,576		1,789,186
<p>Quantity of Outside Job Works produced and sold for the current year is 88.950 tons: Rs. 32.61 Lakhs (Previous year 61.396 tons: Rs. 17.89 lakhs) is considered in the above figures.</p>				
c) Other Operating Revenues ; Export Benefits		8,196,595		20,427,106
<p>Export Incentives i.e Duty Drawback is credited through NEFT mode and directly credited to the Bank.. This amount of duty drawback is considered on receipt basis.</p>				
Less:				
d) Excise Duty		2,245,281		2,441,380
Revenue from Operations		331,387,033		398,982,346
17. Other Income				
a) Interest Income	1,179,720		1,000,681	
b) Net Gain/Loss on sale of Investments/ Fixed Assets	0		(192,918)	
c) Penalties to Supplier / Compensation	0		10,255,448	
d) Other non-operating Income	0		0	
Exchange Gain/(Loss) (Other than considered as finance cost)	(10,182,690)	(9,002,970)	(1,675,242)	9,387,969
<p>The Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Current assets and current liabilities are translated at the year end exchange rates and the profit / loss so determined and also the realized exchange gains / losses are recognized in the profit and loss account.</p> <p>Premium on forward cover contracts is reflected in the profit and loss account .</p> <p>* Note : There is no amount due and outstanding to be credited to the investor Education and Protection Fund</p>				
18. Cost of Materials Consumed				
Material Consumption:				
Raw material Consumed (Alloy & Steel Ingots)		117,727,544		161,491,463

	Rupees	As at 31/3/2014 Rupees	Rupees	As at 31/3/2013 Rupees
19. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade				
Closing Inventories				
Finished goods				
Work in Progress	(60,735,569)		(52,811,668)	
Opening Inventories				
Finished Goods				
Work in Progress	52,811,668	(7,923,901)	38,791,312	(14,020,356)
20. Employee Benefit Expenses				
a) Salaries & Wages	23,097,692		21,122,548	
b) Contribution to Provident and Other Funds	1,734,339		2,623,795	
a) Provident Fund : Liability is determined on the basis of contribution as required under the statutory rules.				
b) Superannuation Fund : Contribution is made to Life Insurance Corporation of India in respect of employees covered under the Scheme.				
c) Staff Welfare Expenses	1,793,644	26,625,675	1,827,949	25,574,292
21. Finance Costs				
a) Interest Expenses	12,118,589		7,164,538	
b) Other Borrowing Costs:	2,657,435		4,208,261	
a) Borrowing Costs on Working Capital is charged to profit and loss statement in the year of incurrence.				
b) Borrowing costs that are attributable to the acquisition of tangible fixed assets are capitalized till the date of substantial completion of the activities necessary to prepare the relevant asset for its intended use.				
c) Borrowing costs that are attributable to the acquisition or development of intangible assets are capitalized till the date they are put to use.				
c) Net gain/loss on foreign currency transactions & translation	(3,758,795)		(496,211)	
d) Interest Subvention Subsidy	(869,511)	10,147,718	(735,310)	10,141,278
22. Other Expenses				
a) Consumption Of Stores and Spares parts		6,604,787		12,989,323
b) Power & Fuel		105,480,065		117,503,115
c) Rent		1,720,741		1,625,151
d) Repairs to Buildings		0		0
e) Repairs to Plant & Machinery		956,855		1,349,512
f) Insurance		235,654		246,315
g) Rates and Taxes		229,001		235,016
i) Machining Charges		17,810,987		19,493,943
k) Clearing & Forwarding Charges		3,845,567		4,811,257
l) Miscellaneous expenses		25,281,938		20,998,689
		162,165,595		179,252,321

Note '23' - Additional Statements forming the part of Financial Statements**1. Significant Accounting Policies :****A) System Of Accounting :**

- i. The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- ii. The Financial Statements are prepared under the historical cost convention in accordance with applicable accounting standards and relevant presentation requirements of the Companies Act, 1956.
- iii. Estimates and Assumptions used in preparation of the Financial Statements are based upon Managements evaluations of the relevant facts and circumstances as of the date of the Financial Statements, which may differ from the actual result at a subsequent date.

B) Fixed Assets:

Tangible Fixed Assets are stated at their original cost of acquisition including expenses related to acquisition and installation of the concerned assets. Intangible Fixed Assets such as Software are recognized, if it is expected that such assets will generate sufficient future economic benefits. Fixed Assets are shown net of accumulated depreciation (except free hold land).

Provision for Impairment loss if any, is recognized to the extent by which the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is determined on the basis of the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

C) Depreciation :

Depreciation has been charged on the Fixed Assets under Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956, as amended. Depreciation on additions and deductions to assets during the year is being provided on pro-rata basis.

D) Inventories :

Inventories are stated at lower of cost and net realizable value. The material costs are determined on weighted average basis/ FIFO as applicable. The valuation of Work in progress and Finished goods represents the combined cost of material, labor and all manufacturing overheads.

E) Foreign Currency Conversion:

The Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Current assets and current liabilities are translated at the year end exchange rates and the profit / loss so determined and also the realized exchange gains / losses are recognized in the profit and loss account.

Premium on forward cover contracts is reflected in the profit and loss account. The net amount payable to Bank against Foreign Currency payable and Amount Receivable from Bank against Forward Contracts are reflected under current liabilities.

F) Investments

Long term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments. Current investments are stated at the lower of cost and fair value.

G) Employee Benefits :

1. Provident Fund: Liability is determined on the basis of contribution as required under the statutory rules.
2. Superannuation Fund: Contribution is made to Life Insurance Corporation of India in respect of employees covered under the Scheme.
3. Gratuity: Liability under the Payment of Gratuity Act, 1972 has been actuarially valued. However the liability is not funded externally.
4. Privilege Leave entitlements Liability has been actuarially valued. However the liability is not funded externally.

H) Taxation :

1. Provision for Taxation is made on the Basis of the Taxable Profits computed for the current accounting period in accordance with the Income-Tax Act, 1961.
2. Deferred Tax resulting from timing differences between book profits and tax profits is accounted for at the current rates of tax to the extent the timing differences are expected to crystallize, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which such Deferred Tax Assets can be realized.

I) Provisions and Contingent Liabilities

Contingent Liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved. Provisions are recognized when the Company has a legal/constructive obligation and on management discretion as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation.

J) Revenue Recognition:

- a) Sale of goods is recognized at the point of dispatch to the customer. Sales include excise duty but exclude value added tax/sales tax. In order to comply with the Accounting Standards Interpretation (ASI-14) issued by the Institute of Chartered Accountants of India, gross sales (including excise duty) and net sales (excluding excise duty) is disclosed in the profit and loss account.
- b) Export Incentives i.e Duty Drawback are accounted on cash basis.

K) Research and Development expenditure

Research and Development expenditure is charged to Revenue under the natural heads of Account in the year in which it is incurred. However the expenditure incurred at development phase, where it is reasonably certain that outcome of research will be commercially exploited to yield economic benefits to the company, is considered as an intangible assets.

L) Borrowing Costs

Borrowing Costs on Working Capital is charged to profit and loss statement in the year of incurrence.

- 1. Borrowing costs that are attributable to the acquisition of tangible fixed assets are capitalized till the date of substantial completion of the activities necessary to prepare the relevant asset for its intended use.
- 2. Borrowing costs that are attributable to the acquisition or development of intangible assets are capitalized till the date they are put to use.

2. Contingent liabilities not provided for in respect of:

	31.03.2014 Rupees	31.03.2013 Rupees
A) Banks:		
1) Counter Guarantee issued by Bank	15,00,000	95,25,035
2) Letter of Credit issued by Bank on behalf of the Company	1,72,50,000	13,00,000
3) Foreign Letter of Credit (Euro) NIL)(P.Y. Euro 29,000)	NIL	21,23,380
B) Estimated value of Contracts remaining to be executed on Capital Accounts and not provided for (net of advances)	84,39,669	7746081

3) A) In the opinion of the management current assets, loans and advances are approximately of the value stated, if realized, in the ordinary course of business.

B) Sales Tax Refund, Sales Tax Payable, Cenvat Credit and Service Tax Credit figures are taken as per the companies returns filed and are subject to Government Assessment

4) Company has made Memorandum Of Understanding on 10th January 2014 for sales of 3645 sq mtr free hold land for Rs. 1,00,00,000/- (One Crore). Company has received Rs. 15,00,000/- (Rs Fifteen Lakhs as advance up to 31st March 2014 and total Rs. 33,00,000/- (Rs Thirty Three Lakhs uptodate..)

5) The Information with regards to vendors under “The Micro, Small and Medium Enterprises Development Act, 2006 “is not available and hence no disclosures have been made in this regard.

6) Information regarding Licensed and Installed Capacity, Production, Stocks & Turnover:

Sr. No.	Product	Licensed Capacity Quantity	Installed Capacity Quantity	Actual Production Quantity	Turnover Quantity	Turnover Value	Opening Stock Quantity	Opening Stock Value	Closing Stock Quantity	Closing Stock Value
		Tonnes	Tonnes	Tonnes	Tonnes	Rs. In Lakhs	Tonnes	Rs. in Lakhs	Tonnes	Rs. in Lakhs
1	Open Die Forgings Raw and or Proof Machined Condition	6,000 (*)	6,000 (*)	(\$)975.529	975.529	3199.29	0	0	0	0
				[(\$) As forged Tonnage1785.392]						
	(Previous Year)	6,000 (*)	6,000 (*)	(\$)1213.096	1213.096	3767.66	0	0	0	0
				[(\$) As forged Tonnage2236.340]						
2	Forged Rolls in Proof and or Finish Machined Condition	3,000	3,000	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(Previous Year)	3,000	3,000	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Forged Pipe Moulds in Proof and or Finish machined Condition	1,000	1,000	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(Previous Year)	1,000	1,000	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(*) As certified by the management and being technical matter accepted by auditors.

(\$) Net of rejection of 3.030 Tonnes.

- i) The Licensed & Installed Capacity is expressed in 'as forge', condition. Actual production & sales quantity is 'as sold' condition. The Machining capacity is not set-up by the Company.
- ii) Quantity of Outside Job Works produced and sold for the current year is 88.950 tons: Rs. 32.61 Lakhs (Previous year 61.396 tons: Rs. 17.89 lakhs) is not included in the above figures.

7) Details of Raw Material & Fuel Consumption:

Unit	31.03.2014		31.03.2013	
	Quantity	Value	Quantity	Value
Steel & Alloy Ingots – Raw Material Tons	2115.452	1,17,727,544	2946.600	1,61,491,463
Fuel KiloLtrs	1632.62	93,058,001	1898.66	1,04,572,263

(Material consumption in terms of percentage of sales varies from year to year. This is due to various factors such as product mix, value of foreign currency etc.)

8) Details of Imported and Indigenous Raw Material. Consumed:

	Percentage	Value	Percentage	Value
Imported	32.69	38,487,392	4.67	7,543,237
Indigenous	67.31	79,240,152	95.33	1,53,948,226
Total	100.00	1,17,727,544	100.00	1,61,491,463

9) Payment to Auditors:

i) As Auditors				
- Audit Fees			3,00,000	3,00,000
ii) In Other Capacity				
- Tax Audit Fees			35,000	35,000
- Limited Review			60,000	60,000
- In Other Capacity(Taxation Work)			NIL	40,000
- Corporate Governors Report			20,000	20,000

10) Computation of Net Profit in accordance with Section 198(1) and Section 349 of Companies Act, 1956

Profit as per Profit and Loss Account	25,30,704	55,343,742
Add Directors Remuneration including perquisites	17,22,835	17,21,013
Directors Commission	NIL	5,00,000
Provision for Taxation	30,76,071	Nil
Total	73,29,610	57,564,755
Less Profit On Sale of Asset	NIL	12,639,042
Profit on which Commission is payable	73,29,610	44,925,713
Maximum Remuneration which can be paid for the year @ 5% on Rs. 7329610 to Managing Director	3,66,481	2,246,286
Less Remuneration (Excluding Commission) already paid	17,22,835	17,21,013
Balance available for paying as commission	NIL	5,25,273
Minimum as determined by the Board	Nil	Nil
b) Details Remuneration to Managing Director:		
-Salaries, Allowances and Perquisites	17,22,835(*)	19,01,013(*)
(*) Includes perquisites as under:		
1) Commission	Nil	1,80,000
2) Gratuity	65,192	65,192
3) Super Annuation	1,35,600	1,35,600
4) Health Insurance	44,643	42,821

11) CIF Value of Imports:

	31.03.2014	31.03.2013
Raw Materials	1,22,32,495	2,77,30,299
Spares & Components	4,69,969	85,32,253
Capital Goods	4,94,27,794	Nil

12) Expenditure in Foreign Currency:

Foreign Travel	218095	576860
Advance for Raw Material	NIL	2525749
Advertisement	NIL	80372

13) Remittance during the year in foreign currency on account of dividend to non resident share holders were as follows

No Of Share Holders	08	7
1. No of equity shares	13,79,500	13,24,100
2. Amount remitted	20,69,250	19,86,150

14) Related Party Disclosures:

 a) Remuneration paid or payable to Directors for the year ended 31st March 2014

Name Of the Director	Sitting Fees/ Commission in (Rs)	Salary and perquisites (in Rs)	Supper Annuation Fund	Total In (Rs.)
Mr. R. S. Kothavale - Managing Director	NA	15,87,235/-	1,35,600	17,22,835/-
Mr. S. Padmanabhan - Chairman	40000	NA	NA	40000
Mr. S. R. Kothavale	20000	NA	NA	20000
Mr. S.M.Sirsikar	80000	NA	NA	80000
Mr Pradeep Bhargava	80000	NA	NA	80000

b) Transactions with related party as required by Accounting Standard 18

(Amount in Rs.)

Sr No	Particulars	Nature Of Relations	2013-2014	2012-2013
1	Office Rent	Others	1,720,741	1,625,151
2	Machining & Commitment Charges	Others	89,82,616	87,58,373
3	Balance Receivable by RFL Loan Others	Others	12,381,365	18,172,620
4	Balance Payable by RFL	Others	NIL	1,47,741

Names of Related Parties and description of relationship

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

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

16) Details of Forward Contracts Outstanding as on 31st March 2014.

 The Company has entered in to forward contracts to cover the expected receivables against Foreign Exchange Rate Fluctuations. The Forward Contracts outstanding as on 31st March 2014 were as under.

Currency	31 st March 2014		31 st March 2013	
	No Of Contracts	Value in Foreign Currency (US \$)	No Of Contracts	Value in Foreign Currency
USD	8	28,50,000	10	28,50,000

17) Liability for employee benefit has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard – 15 (revised) the details of which are as hereunder

Unfunded Scheme		
i) Amount to be recognized in Balance Sheet		
a) Present Value of obligations	49,80,506	44,14,233
b) Fair Value of Plan Assets	Nil	Nil
c) Net assets/(liability) recognized in balance sheet	(49,80,506)	(44,14,233)
ii) Amount to be Recognized in the Statement of Profit and Loss Account		
a) Current Service Cost	4,27,865	4,18,892

Unfunded Scheme		
b) Interest Cost	3,97,281	2,23,948
c) Past Service Cost	Nil	Nil
d) Net actuarial (gain) loss Recognized in the year	(2,35,957)	10,89,688
e) Net Actuarial losses / (Gains) Recognized in the year	5,89,189	17,32,528
Total included in personnel expenses		
iii) Change in Defined Benefit Obligation and reconciliation		
a) Opening Defined Benefit Obligation	44,14,233	28,07,041
b) Interest Cost	2,97,281	223,948
c) Past Service Cost	Nil	Nil
d) Current Service Cost	427,865	418,892
e) Net actuarial (gain) loss Recognized in the year	(235,957)	10,89,688
f) Benefits paid	(22,916)	125,336
g) Closing Balance	49,80,506	44,14,233
iv) Principal Actuarial Assumptions		
Discount Rate	9.00%	8.00%
Rate of increase in Compensation level	8.00%	8.00%
Expected Average remaining working lives of Employees (years)	20.08	21.30

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

A) Net Profit after tax for the year 2013-2014	Rs. 25,30,704
B) Weighted Average No. of Shares of Rs. 10 each	1,09,39,400
C) Basic and diluted EPS (A/B)	Rs 0.23

19) Segment information for the year ended 31.03.2014 as required by AS-17 “Segment Reporting”

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

20) Components of Deferred Tax Assets and Liabilities:

PARTICULARS	BALANCE CARRIED AS AT 31ST MARCH 2013 RS.	ARISING DURING THE YEAR RS.	BALANCE CARRIED AS AT 31ST MARCH 2014 RS.
DEFERRED TAX LIABILITIES:-			
On account of timing difference in			
Depreciation	1,01,95,350	21,63,653	1,23,59,003
Deferred tax Liability	1,01,95,350	21,63,653	1,23,59,003
DEFERRED TAX ASSETS:-			
On account of timing difference in			
a) Disallowance under section 43-B Of the Income – Tax Act, 1961	1,53,73,037	405,783	1,57,78,820
b) Accrual For Expenses Allowable on payments	7,59,463	(248,201)	511,262
Total Deferred Tax Assets	1,61,32,499	157,583	1,62,90,082
Net Deferred Tax Asset (Liability)	59,37,150	(20,06,071)	39,31,079

21) Information required as per Schedule – VI to the Companies Act, 1956 has been given only to the extent applicable.

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

As per our report attached

For and behalf of the Board.

For BAPAT & COMPANY

Chartered Accountants

Firm Registration No 100997W

A. N. BAPAT

PARTNER

Membership No.7524

VIJAY.V.KULKARNI

COMPANY SECRETARY

Membership No. A20665

R.S.KOTHAVALA

MANAGING DIRECTOR

DIN NO.00146524

SWASTIK SIRISIKAR

DIRECTOR

DIN NO. 00552722

Place:Pune

Date: 30th May, 2014

RAJKUMAR FORGE LIMITED

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

CIN: L28910PN1990PLC056985

TWENTY FOURTH ANNUAL GENERAL MEETING –MONDAY 11'TH AUGUST,2014

ADMISSION SLIP

(To be handed over at the Meeting Hall)

DP ID & CLIENT ID /FOLIO NO	
NO OF SHARES	

I certify that I am a member/proxy for the member of the Company and hereby record my presence at the **TWENTY FOURTH ANNUAL GENERAL MEETING** being held at Poona Club, 6,Bund Garden Road, Pune-411001 on Monday the 11'th day of August, 2014 at 10.00 a.m.

Name of Member/proxy (in block letters)

Member/Proxy's Signature

Note : A member/ proxy attending the meeting must complete this attendance slip and hand it over at the entrance.



FORM NO 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 ,2014)

CIN: L28910PN1990PLC056985

Name of the Company: **RAJKUMAR FORGE LIMITED**

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

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

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

-of.....having e-mail idor failing him
-of.....having e-mail idor failing him
-of.....having e-mail idor failing him

and whose signatures are appended below as my / our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company to be held on the Monday,11'th day of August,2014 at 10 A.M. AT Poona Club ,5, Bund Garden Road ,Pune-411001 and at any adjournment thereof in respect of such resolutions as are indicated below :

DESCRIPTION	
Ordinary Business	
1.	Receive consider and adopt :- The Audited Financial Statements of the Company together with Report of the Board of Directors and Auditors there on
2.	Re-appoint Mr.Shantanu.R.Kothavale as Director of the Company
3.	To appoint Haribhakti and Company as Statutory Auditors in place of Bapat and Company, retiring Auditors and Authorizing the Board to fix their remuneration.
Special Business	
4.	Appoint Mr.S.Padmanabhan as Independent Director of the Company
5.	To appoint Mr.Swastik Sirsikar as Independent Director of the Company.
6.	To appoint Mr.Pradeep Bhargava as Independent Director of the Company

Signature of shareholder

Signed this-----day of -----2014

Signature of Proxy holder (s)

Affix
Revenue
Stamp of
Appropriate
Value

- 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 commencement of the meeting.
- For resolutions, explanatory statements and notes please refer to notice of the 24'th Annual General Meeting .
- Please complete all details including details of member (s) before submission.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

BALLOT FORM
(In Lieu of E-Voting at AGM)

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

I/We hereby exercise my/our vote in respect of the resolution(s) to be passed through e-Voting for the business stated in the AGM notice dated 30th May, 2014 of the Company by conveying my/our assent or dissent to the said Resolution(s) by placing (✓) mark at the appropriate box below

Item No	Description	Number of shares held by me	I assent to the resolution	I dissent to the resolution
1	Adoption of Financial Results for the year ended 31 st March, 2014			
2	To re- appoint Mr.Shantanu.R.Kothavale as Director of the Company			
3	To Appoint Haribhakati and Company as Statutory Auditors of the Company			
4	To appoint Mr.S.Padmanabhan as an Independent Director of the Company			
5	To appoint Mr.Swastik Sirsikar as an Independent Director of the Company			
6	To appoint Mr.Pradeep Bhargava as an Independent Director of the Company			

Signature of the Shareholder

Place:

Date:

Note : Kindly read the instructions printed overleaf before filling the form . Only Valid Ballot Forms received by the Scrutinizer on or before 5.00 P.M. on 6th August, 2014 shall be considered for voting.

INSTRUCTIONS

- In terms of Clause 35B of the listing agreement ,the members who do not have access to e-voting facility may fill up the Physical Ballot Form and submit the same in a sealed envelop to the Scrutinizer, Neelkanth.G.Limaye, Practicing Company Secretary, Unit: RAJKUMAR FORGE LIMITED. C/o Link Intime India (Private) Limited, 202, 2nd Floor, Akshay Complex, Near Ganesh Temple , Off Dhole Patil Road, Pune-411001.**
- Un-signed incomplete or incorrectly ticked forms are liable to be rejected and decision of Scrutinizer on the validity of the form will be final.
- In the event member cast votes through both the processes i.e E- Voting and physical ballot form, physical ballot would be ignored.
- Ballot Form received after the said date will strictly be treated as if not received.
- Ballot Form should be completed and signed as per specimen signature registered with the depository participant /company. In case of Joint holders, ballot form should be signed by the first named shareholder and in his absence by the next named shareholder/s. Un-signed ballot forms will be rejected.
- To avoid fraudulent transactions , the identity /signature of the members holding shares in electronic form/demat form is verified as per the records of the share transfer agent of the Company viz Link Intime India Private Limited.
- Where the ballot form has been signed by the authorized representative of the body corporate/trust/society, etc. a certified copy of the relevant authorization/ Board Resolution to vote should accompany ballot form.
- Instruction for e-voting are available in the Notice of AGM.

If Undelivered Please Return To :

RAJKUMAR FORGE LIMITED

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

Phone : (020) 25639050, 25639051,25639052

Fax : (020) 25639049

Web Site : www.rkforging.com

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



RAJKUMAR FORGE LTD.

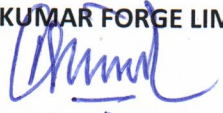
Regd. Office : " Shivprasad", 18, Shivaji Co-op. Housing Society, Off Senapati Bapat Road, Pune - 411016, India.
Tel: + 91(20) 25639050/51/52 Fax: + 91(20) 25639049 E-mail : sales@rkforge.in, info@rkforge.in

CIN No. L28910PN1990PLC056985



FORM A

CLAUSE-31

1	Name of the Company	FOR RAJKUMAR FORGE LIMITED
2	Annual Financial Statement for the year	2013-2014
3	Type of observation	Un-qualified
4	Frequency of observation	N.A.
5	MANAGING DIRECTOR	FOR RAJKUMAR FORGE LIMITED  R.S.KOTHAVALA MANAGING DIRECTOR

Visit us : www.rkforging.com

Factory : Gat No. 357, Kharabwadi, Chakan - Talegaon Road, Chakan - 410 501, Tal. Khed, Dist. Pune (India) Phone : 91 (02135) 252372, 252373 Fax: 91(02135) 252376