



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.

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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 Sirsikir (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 Sirsikir ,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, 11th 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 scrutinizer to scrutinize the e-voting process (including the voting through physical ballot form received from members) in a fair and transparent manner.

The scrutinizer 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 Scrutinizer'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 Scrutinizer'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
Swastik Sirsikir	Non-Executive, Independent *	4	4

*Independent Director means a director who apart from receiving director remuneration does 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 Sirsikir	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 Sirsikir	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 and Mr. S. Padmanabhan are members of Remuneration Committee, with Mr. S. Padmanabhan 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.)	Commission	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.