



***RAJKUMAR FORGE LIMITED***



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

<b>BOARD OF DIRECTORS</b>	: S. PADMANABHAN PRADEEP BHARGAVA SWASTIK SIRSIKAR SHANTANU.R.KOTHAVALA RATNAPRABHA R KOTHAVALA R.S.KOTHAVALA	Chairman     Managing Director
<b>COMPANY SECRETARY</b>	: VIJAY.V. KULKARNI	
<b>AUDITORS</b>	: M/S HARIBHAKTI & COMPANY- LLP CHARTERED ACCOUNTANT PUNE	
<b>BANKERS</b>	: BANK OF BARODA	
<b>REGISTRAR AND TRANSFER AGENTS</b>	: LINK INTIME INDIA PRIVATE LIMITED BLOCK NO 202, 2 <sup>ND</sup> FLOOR AKSHAY COMPLEX ,NEAR GANESH TEMPLE, DHOLE PATIL ROAD,PUNE – 411 001 PHONE NO : (020) 26163503, 26161629 TELE FAX : ( 020) –26163503 E-MAIL : pune@linkintime.co.in WEBSITE : www.linkintime.com	
<b>REGISTERED OFFICE</b>	: 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 : <a href="http://www.rkforging.com">www.rkforging.com</a>	
<b>FACTORY</b>	: GATE NO 357,KHARABWADI CHAKAN- TALEGAON ROAD CHAKAN- 410501, TALUKA- KHED DISTRICT-PUNE	

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

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## NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of Rajkumar Forge Limited will be held on Tuesday 20<sup>th</sup> day of September, 2016 at 11.30 A.M. (IST) at Poona Club Limited, 6, Bund Garden Road, Pune - 411001 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2016 and Profit and Loss Account for the year ended as on that date together with Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Shantanu.R.Kothavale (DIN No 01386351) who retires by rotation and being eligible, seeks re-appointment.
3. To appointment a Director in place of Mrs. Ratnaprabha.R.Kothavale (DIN No :- 03630611) who retires by rotation and being eligible, seek re-appointment.
4. To consider and, if thought fit, to pass with our without modification following resolution as an **ORDINARY RESOLUTION:-**

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

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

**Place: Pune**  
**Date: 13<sup>th</sup> May, 2016**

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

### NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**
- 2) No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is shareholder of the Company, unless a copy of the resolution appointing him/her as a duly authorized representative,

certified to be true copy by a Chairman of the meeting at which it was passed shall have been deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

- 3) A brief profile of Directors retiring by rotation and being eligible for re-appointment is included in the Corporate Governance Report, which forms part of Directors' Report and shareholders are requested to refer to the same. The Board of Directors of the Company recommends their respective re-appointments.
- 4) The Board of Directors of the Company has on the recommendation received from the Audit Committee of the Company, recommended ratification of appointment of Haribhakti and Company LLP having Firm Registration No 103523W as Statutory Auditors of the Company till 2019-2020 subject to ratification of appointment of members in the next Annual General Meeting of the Company .
- 5) Members who hold shares in dematerialized form are requested to bring their CLIENT ID and DP ID numbers for easy identification of attendance at the meeting.
- 6) Members holding equity shares in dematerialized form are requested to intimate change in their address, bank details etc. to their respective DPS. Those members holding shares in physical form are requested to advise Link Intime India Private Limited, Registrar and Transfer agent of the Company having its office at "Block No ,202 Second Floor ,Akshay Compalex , Dhole Patil Road ,Pune-411001 immediately of any change in their address.
- 7) The Register of Members and Share Transfer Books of the Company will remain close from Monday, 12<sup>th</sup> September, 2016 to Tuesday, 20<sup>th</sup> day of September 2016 (both days inclusive).
- 8) Members may avail of the facility of dematerialization of equity shares by opening demat accounts with Depository Participants of either National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL) and get the equity share certificates dematerialized. The ISIN No of the Company is INE-013J01016.
- 9) Those members who have not encashed /received the dividend warrants for the previous years may approach the Secretarial Department at the Registered Office of the Company for claiming un-paid / un-claimed dividend.
- 10) Dividend which remain unclaimed / un-encashed for a period of 7 years will be transferred by the Company to Investor Protection Fund ( IEPF) constituted by the Central Government, under Section 124 of The Companies Act, 2013
- 11) Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to Company at its' Registered Office at least 7 days before the date of the meeting, so that the required information to the extent possible can be made available at the meeting.
- 12) Members are requested to bring their copies of Annual Report to the Meeting. In case of joint holders attending the meeting, only such joint holders who is higher in order of names will be entitled to vote. Members /proxies attending the meeting should bring the Attendance Slip, duly filled in for handing over at the venue of the meeting.

- 13) Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company.
- 14) Members are requested to intimate to Link Intime India Private Limited, Registrar and Transfer Agents of the Company their e-mail address for sending notice /documents through e-mail as per directives issued by Government of India, Ministry of Corporate Affairs , vide Circular No 17/2011 dated 21.04.2011.
- 15) As per Circular No MRD/DOP/CIR-05/2009 MAY 20,2009 issued by Securities and Exchange Board of India ( SEBI) it is mandatory to quote Permanent Account Number ( PAN) for participating in securities market.
- 16) Further a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or member.
- 17) In terms of Section 101 and 136 of the Companies Act,2013 read with rules made there under , a listed company may send the notice of Annual General Meeting and Annual Report, including financial statement, Board Report etc by electronic mode.
- 18) Pursuant to Section 72 of the Companies Act,2013 shareholder holding shares in physical form may file nomination form in Form SH-13 with Companies Transfer Agent, Link Intime India Private Limited.
- 19) The result of voting with the Scrutinizer's Report shall be placed on Company's website <http://www.rkforging.com>. and on the website of CDSL with in 2 (two) days of passing of resolutions at Annual General Meeting of the Company and shall be communicated to the Stock Exchange.
- 20) Brief resume of each of the above Director including their experience in functional areas and names of companies they hold directorship and membership, chairmanship of Board and Committees , shareholding and relationship between directors inter -se as stipulated under SEBI (Listing Obligation And Disclosure Requirement) Regulations,2015 are provided in the Corporate Governance Report forming part of Annual Report.
- Mr. Shantanu. R. Kothavale and Mrs. Ratnaprabha .R. Kothavale are interested in the resolution set out respectively at item no 2 and item no 3.
- The relatives of Mr. Shantanu R Kothavale and Mrs. Ratnaprabha.R.Kothavale are interested in the resolution set out respectively at item no 2 and item no 3 to the extent of shareholding interest ,if any, in the company.
- Save except as above ,none of the Directors and their relatives is in any way interested financially or otherwise in these resolutions.
- The Board commends the Ordinary Resolution set out at item no 2 to 3 of the Notice for approval by shareholders.
- The documents and / or letters referred to in the above resolution/s and are open for inspection by the Members at the Secretarial Department of the Company, on all working days between 10.30 A.M and 12.30 P.M. up to the date of Annual General Meeting except on Saturday, Sunday and Public Holidays, till conclusion of the ensuing Annual General Meeting.

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

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

**R.S.KOTHAVALA  
MANAGING DIRECTOR**

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

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

**(xix) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS

Manufacturing Industry is vital for development of Indian economy. The year 2015-2016 has shown economic growth at 7.6%. Forging Industry serves needs of automobile and heavy engineering industry. Products of the Company are related to Heavy Engineering and Machine Building Industry which is a core sector.

### OPERATIONS & FINANCIAL PERFORMANCE:

Sales and profit performance for the year ended 31<sup>st</sup> March, 2016 is lower on account of global recession and falling prices of crude oil in the international market. Following is the summary of performance.

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

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

Year	Export Value (₹)	Total Sales Value (₹)	% Export	% Export Growth/ (decline)
2013-2014	302,029,357	322,384,062	93.69	5.41
2014-2015	22,37,53,414	281,133,503	79.59	(14.1)
2015-2016	90,091,203	132,224,594	68.13	(11.46)

### GENERAL :

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

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

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

### INTERNAL CONTROL SYSTEM & ITS' ADEQUACY :

Company has reasonable Internal Control System to safeguard assets of the Company and detects, frauds or irregularities,

if any. The internal control system are designed to ensure reliability of financial records and other records for preparing financial statements.

### CONCERN & THREATS:

The economies of the western countries are showing signs of slow recovery .The Companies export account for about 68% of the total business. The Company is expecting increase in turnover in the next financial year.

However, uncertain market conditions, low prices of crude oil in international market and competition Chinese manufacturers at low prices are causes of concern. Impact of the Foreign Exchange Rate fluctuation is enormous on the working of the Company The Company has taken forward exchange cover from Bank of Baroda, Pune Camp Branch to reduce the impact of foreign exchange rate difference.

### OUTLOOK:

Market out-look for next two to three years is uncertain. The un-certainties and adverse movements in the exchange rate fluctuations may affect performance of the Company.

### CAUTIONARY STATEMENT

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

### HUMAN RESOURCES:

The Company has a strength of 80 employees as on 31<sup>st</sup> March,2016. The Company continues to maintains cordial relations with its' employees. The key focus of the Company is all around development of the employees. The Board places on record its appreciation for the sustained efforts and contributions made by the staff at all levels during the year under review.

### APPRECIATION

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

### TO THE BOARD OF DIRECTORS OF RAJKUMAR FORGE LIMITED

### CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

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

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2016 and to the best of our knowledge and belief :
- (i) these statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief no transactions entered in to by the Company during the year ended 31<sup>st</sup> March, 2016 , which are fraudulent , illegal or violative of the Company's Code Of Conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and Audit Committee , deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps that have been taken or proposed to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee :
- (I) Significant changes in internal control over financial reporting during the year .
  - (II) Significant change in accounting policies during the year and that the same have been disclosed in the notes to financial statement; and
  - (III) Instances of significant fraud of which I am aware and the involvement there in ,if any , of the management or an employee having a significant role in the companies internal control system over financial reporting.

**RAJKUMAR .S.KOTHAVALA**  
**Managing Director**

**Date : 13<sup>th</sup> May, 2016**  
**Place : Pune**



**REPORT ON CORPORATE GOVERNANCE**
**1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

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

This chapter of the report plus the information given under the Management Discussion and Analysis and Shareholder Information constitutes the report on Corporate Governance for the Year 2015-2016.

**2. BOARD LEVEL ISSUES**
**(a) Composition of the Board**

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

**(b) Shareholding of the Directors**

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

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

**(c) Board meetings held during the year**

During the year the Board Meetings were held on :-

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

**(d) Directors attendance record**

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

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

Attendance record of the Directors at the last Annual General Meeting.

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

**(e) Outside Directorship**

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

**(f) Relationship between Directors**

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



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

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

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

**(g) Information placed before the Board**

The Board of Rajkumar Forge Limited is presented with all relevant information on various vital matters affecting the working of the Company in addition to the matters set out in SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015. Also extensive information is provided on various critical matters such as production, sales, export, financial performance, foreign exchange exposure, staff matters, legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters, and other such matters with detailed notes along with agenda papers.

**(h) Evaluation of Board of Directors:**

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

**(i) Independent Directors :**

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

6. Are not substantial shareholders of the Company i.e do not own two percent or more of block of voting power.
7. Is not less than 21 years of age
8. As stipulated by the Code Of Independent Directors under Companies Act, 2013 and Listing Agreement a separate meeting of the Independent Directors of the Company was held on 28th March, 2016 to review performance of the performance of non-independent directors and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between management and the Board and its committees which is necessary for the management to effectively and reasonably perform and discharge their duties.

The independent directors were made familiar with the areas of operation, process follow, organization structure, strength of the Company. The Company is arranging visit of Independent Directors to manufacturing facilities of the Company and getting them acquainted with manufacturing process. More details of the same are available on the website of the company at [www.rkforging.com](http://www.rkforging.com)

**3. COMMITTEES OF BOARD**

**A) AUDIT COMMITTEE**

**Composition of Audit Committee**

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

All members are financially literate and have related financial management expertise. Accounts officers and financial executives, the Statutory Auditors and the Internal Auditors also attend the Audit Committee Meetings. The Company Secretary acts as a Secretary of the Committee.

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

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

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

18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO, after assessing the qualifications, experience and background, etc. of the candidate;

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

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

The Number of Audit Committee Meetings and attendance of the member of Audit Committee Meeting is given below:

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

#### B) Nomination and Remuneration Committee

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

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

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

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