

RAJKUMAR FORGE LIMITED



29TH ANNUAL REPORT

CORPORATE INFORMATION**BOARD OF DIRECTORS**

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

CHIEF FINANCIAL OFFICER

Mr. Shubham Jindal

COMPANY SECRETARY

Ms. Shruti Patil

REGISTERED OFFICE

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

FACTORY OFFICE

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

STATUTORY AUDITORS

M/s. Gokhale, Tanksale and Ghatpande
Chartered Accountants

BANKERS

HDFC Bank
IndusInd Bank Limited

INTERNAL AUDITORS

Pradeep. K. Lodha & Co.
Chartered Accountants

SECRETARIAL AUDITORS

Gaurav Nashikkar
Practicing Company Secretary

SHARE TRANSFER AGENT

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

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NOTICE

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

ORDINARY BUSINESS:

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

By Order of the Board
For RAJKUMAR FORGE LIMITED

Shruti Patil
Company Secretary
Membership No. : A40609

Place: Pune
Date : July 17, 2019

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. Proxies submitted on behalf of companies, societies, etc. must be supported by appropriate resolutions/ letter of authority as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.
- 2) A Proxy Form and Attendance Slip for the AGM are enclosed herewith.
- 3) Corporate Members intending to send their authorized representatives to attend the meeting in terms of Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the AGM.
- 4) Members/Proxies/ Authorized Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the AGM.
- 5) During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a Member is entitled to inspect the proxies lodged at any time during the business hours of the Company.
- 6) Queries on financial statements and/ or operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers may be made available at the AGM.
- 7) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the AGM. The Register contracts or arrangements

in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the AGM.

- 8) Pursuant to the provisions of Section 91 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, September 12, 2019 to Wednesday, September 18, 2019** (both days inclusive).
- 9) Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, NECS mandates, Power of Attorney, change of address/name, etc. to their Depository Participant only. Changes intimated to the Depository Participants will be automatically reflected in the Company's record which will help the Company and its Registrar and Transfer Agent to provide efficient and better services.
- 10) Members / investors may contact the Company on the designated E-mail ID – secretarial@rkforge.in for faster action from the Company's end.
- 11) The appointment of M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants (Firm Registration No. 103277W), for a period of 5 years, to hold office till the conclusion of 32nd AGM subject to ratification at every AGM, was approved by the members at the 27th AGM held on September 27, 2017. MCA vide Companies (Amendment) Act, 2017 has amended Section 139(1) of Companies Act, 2013, wherein proviso requiring the Companies to ratify the appointment of Statutory Auditor every year has been omitted w.e.f. May 07, 2018. However, since the resolution passed on September 27, 2017 contains such requirement, the shareholders at 28th AGM held on September 26, 2018, approved the ratification of appointment of Statutory Auditors for the entire unexpired period. Accordingly, no such item has been considered in notice of the AGM.
- 12) The Company has paid the annual listing fees to the BSE Limited for the Financial Year 2019-20.
- 13) Non-Resident Indian Members are requested to inform the Company/Depository Participant, immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete bank name, branch, account type, MICR number, account number and address of the bank with pin code number, if not furnished earlier.
- 14) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or its Registrar & Transfer Agents.
- 15) SEBI had vide Notification No. SEBI/LAD-NRO/ GN/2018/24 dated June 08, 2018 and SEBI/LADNRO/GN/2018/49 dated November 30, 2018 read with BSE circular no. list/ comp/15/2018-19 dated July 05, 2018 directed that transfer of securities would be carried out in dematerialized form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However Members can continue to hold shares in physical form. Accordingly, Shareholders holding securities in physical form were separately communicated by the Link Intime India Private Limited (our RTA) vide three

- letters sent on July 18, 2018 (by Registered Post), September 26, 2018 and December 11, 2018 (by Ordinary Post) at their registered address. In view of the above and to avail free transferability of shares and the benefits of dematerialization, members are requested to consider dematerialize shares held by them in physical form. Members may note that, Transfer deed(s) once lodged prior to April 1, 2019 and returned due to deficiency in the document may be re-lodged even after the April 1, 2019 with the office of Link Intime India Private Limited or at the Registered Office of the Company. The Company will abide by the guidelines issued by Statutory Authorities from time to time in the matter.
- 16) In terms of the "Green Initiative" undertaken to protect the environment and reduce the carbon foot print, the Company has commenced sending various communications to the Members through electronic mode. Based on the communication made in this behalf by the Company, the Annual Report for the financial year including the Notice for AGM is being sent in an electronic form to those Members whose e-mail IDs have been registered with the Depositories / Registrar and Transfer Agent. For the Members who have not registered their email address, physical copy of the Annual Report is being sent in permitted mode. The same will also be available on the website of the Company, i.e. www.rkforging.com. We would also like to clarify that the Members still shall be entitled to receive physical copies by making a specific request for the same at any point of time.
- 17) To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Link Intime or their Depository Participants, in respect of shares held in physical or electronic mode respectively.
- 19) Members are requested to notify any change in their email ID or bank mandates or address to the Company and always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the Company. In respect of holding in electronic form, Members are requested to notify any change of email ID or bank mandates or address to their Depository Participants.
- 19) Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 with the Company. Blank forms will be supplied on request.
- 20) Members who still hold share certificates in physical form are advised to dematerialize the shareholding to avail the benefits of dematerialization.
- 21) **Voting through electronic means:**
The complete details of the instructions for e-voting are annexed to this Notice. These details form an integral part of the Notice.
- 22) The route map for the venue of Annual General Meeting forms part of this notice.
- 23) All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on all working days up to date of the AGM.

ANNEXURE RELATING TO ITEM NO. 2 OF THE NOTICE :

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

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

By Order of the Board
For RAJKUMAR FORGE LIMITED

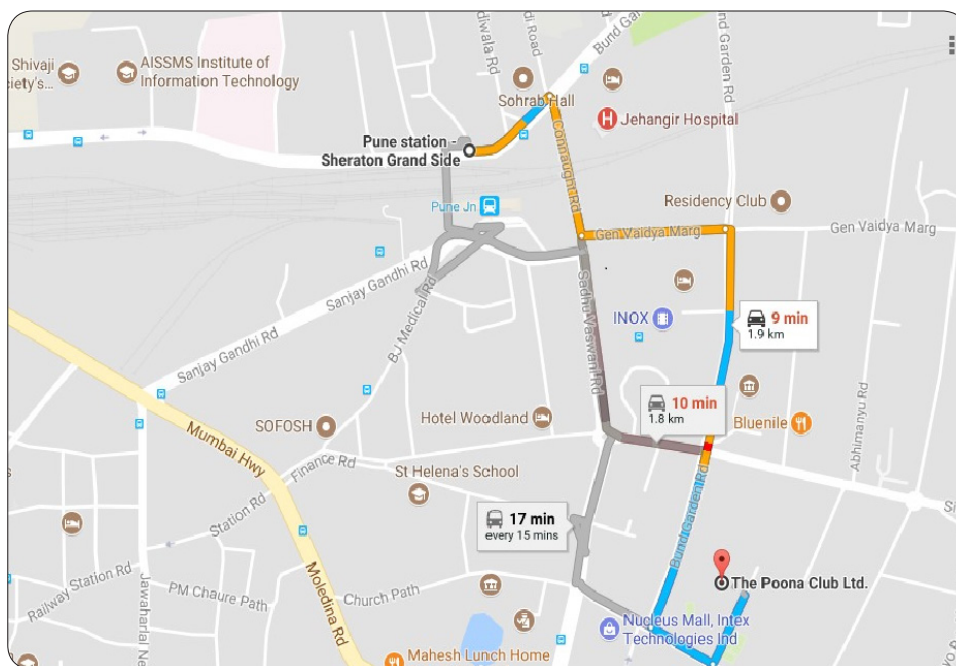
Shruti Patil
Company Secretary
Membership No. : A40609

Place: Pune
Date : July 17, 2019

Registered Office:

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

AGM VENUE ROUTE MAP



THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

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

Procedure / Instructions for e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period begins on Sunday, September 15, 2019 (9:00 a.m. IST) and ends on Tuesday, September 17, 2019 (5:00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, September 11, 2019 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID;
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr. no affixed on Annual Report, in the PAN field.

	For Members holding shares in Demat Form and Physical Form
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Rajkumar Forge Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after June 30, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) In case of any grievances in connection with voting by electronic means the shareholders can contact Ms. Shruti Patil, Company Secretary at her email at secretarial@rkforge.in or contact her at 8956616160.
- (xxii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution/Authority letter in PDF format in the system for the scrutinizer to verify the same. Further, they are requested to send the scanned copy of the Board Resolution/ Authority letter to the email id of Scrutinizer (nashikkargaurav07@gmail.com), RTA (sandip.pawar@linkintime.co.in) and Company (invest@rkforge.in).
- Mr. Gaurav Nashikkar, Practicing Company Secretary (C.P. No. 13967) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Results shall be declared within 48 hours after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date, subject to receipt of the requisite number of votes in favor of the resolutions. The results declared along-with the Scrutinizer’s Report shall be placed on the website of the Company at www.rkforging.com and on the website of CDSL at www.evotingindia.com and the same shall also be communicated to BSE Limited.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

About Rajkumar Forge

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

Economic Overview as to Global Economy and Indian Economy

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

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

India Forging Industry

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

Outlook

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

Opportunities and Threats

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

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

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

Major risk factors are:

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

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

Internal Control Systems and their Adequacy

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

Financial and Operational Performance

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

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

Manpower Developments and Human resource /Industrial Relations

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

Medium and Long Term Strategy

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

Cautionary Statement

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

Key Financial Ratios

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

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

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

Place : Pune
Date : July 17, 2019

**Arun Jindal
Chairman
DIN : 00121523**

DIRECTORS' REPORT

Dear Members,

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

FINANCIAL HIGHLIGHTS: (₹ in Lakhs)

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

DIVIDEND:

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

SHARE CAPITAL:

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

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

TRANSFER TO RESERVES:

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

OPERATIONS AND STATE OF AFFAIRS:

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

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

VIGIL MECHANISM:

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

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

PUBLIC DEPOSITS:

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

DETAILS OF BOARD MEETINGS:

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

COMMITTEES OF THE BOARD:

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

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

DECLARATION BY INDEPENDENT DIRECTORS:

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

RE-APPOINTMENT OF DIRECTOR:

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANY:

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

FORMAL ANNUAL EVALUATION:

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

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

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

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

RELATED PARTY TRANSACTIONS:

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

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

- a. The sum of ₹ 8,76,800 /- being the amount of unpaid or unclaimed dividend for a period of seven years was transferred during the financial year 2018-19 to the Investor Education and Protection Fund established by the Central Government in compliance with Section 124 of the Companies Act, 2013.
- b. During the year under review, the Company has transferred 48,101 shares to the Investor Education and Protection Fund in accordance with the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules').

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

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

DEPOSITS:

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

INTERNAL FINANCIAL CONTROLS:

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

CORPORATE GOVERNANCE CERTIFICATE:

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

EXTRACT OF ANNUAL RETURN:

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

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

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

AUDITORS:
Statutory Auditors

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

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

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

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