RAJKUMAR FORGE LIMITED

2017-2018

28TH ANNUAL REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Arun K. Jindal	Chairman - Non-Executive Director (DIN : 00121523)	From December 01, 2016 till the date
Mr. Nitin Rajore	Whole Time Director (DIN : 01802633)	From December 01, 2016 till the date
Mr. R. T. Goel	Non-Executive Director (DIN : 07663394)	From December 01, 2016 till the date
Ms. Sudha Santhanam	Non-Executive Director (DIN : 06579108)	From May 15, 2017 till the date
Ms. Shilpa Dixit	Non-Executive Director (DIN : 00001761)	From December 01, 2016 to April 10, 2017

CHIEF FINANCIAL OFFICER

Mr. Shubham Jindal

COMPANY SECRETARY

Ms. Shruti Khandelwal From February 13, 2017 to May 17, 2017
Ms. Shruti Patil From May 29, 2017 till the date

REGISTERED OFFICE

29/1, Kharadi Village,
Off Pune Nagar Road,
Pune – 411 014
Phone : 020 - 67310700/01/02
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) 671400, 671424

STATUTORY AUDITORS

M/s. Gokhale, Tanksale and Ghatpande
Chartered Accountants

BANKERS

HDFC Bank
Bank of Baroda

INTERNAL AUDITORS

Pradeep. K. Lodha
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 28th Annual General Meeting of the Members of Rajkumar Forge Limited will be held on Wednesday, September 26, 2018 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, 2018 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.

SPECIAL BUSINESS:

3. **Ratification of appointment of M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants (Firm Registration No. 103277W) as Statutory Auditors of the Company for the entire unexpired period.**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to approval of Members in the Annual General Meeting held on September 27, 2017 for appointment of M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants (Firm Registration No. 103277W), the Statutory Auditors of the Company, for a term of five consecutive financial years ending on March 31, 2022 which was subject to ratification at every Annual General Meeting, consent of the Members of the Company be and is hereby accorded 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, at a remuneration to be decided by the Board of Directors of the Company in consultation with the Auditors plus applicable tax and out of pocket expenses."

4. **Authority to Board to revise the remuneration of Mr. Nitin Rajore (DIN : 01802633), Whole Time Director of the Company.**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT in accordance with the provisions of Section 197, Schedule V - Part I and Section II of Part II and any other applicable provisions of the Companies Act, 2013 and the rules made there under, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) consent be and is hereby accorded for authorizing the Board of Directors to revise remuneration of Mr. Nitin Rajore (DIN : 01802633), Whole Time Director of the Company within the overall limits prescribed under the provisions of Section 197 and Schedule V of the Companies Act, 2013, up to ₹ 60 Lakhs (in case of absence of profits or if the Company has inadequate profits) or such increased limits as prescribed under Schedule V - Section II of Part II of the Companies Act, 2013, based on the changes in the net effective capital of the Company, for a period of 3 years commencing from April 01, 2018.

   RESOLVED FURTHER THAT the Board / Nomination and Remuneration Committee be and is hereby authorized to revise the remuneration of Mr. Nitin Rajore, within the overall limits prescribed above, from time to time.

   RESOLVED FURTHER THAT the Board of Directors (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), and / or the Company Secretary of the Company be and are hereby severally authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

5. **Reclassification of Promoters into Public Category.**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

   "RESOLVED THAT in accordance with Regulation 31A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI Board and / or Stock Exchange and / or other appropriate statutory authorities, as may be necessary, the consent of the Members of the Company be and is hereby accorded to reclassify the following persons (hereinafter individually & jointly referred to as the 'applicants') from 'Promoter & Promoter Group category' to 'Public category':

   1) Mr. Milind Prabhakar Kothavale;
   2) Mr. Nitin Prabhakar Kothavale; and
   3) Mr. Shirish Prabhakar Kothavale.

   RESOLVED FURTHER THAT any of the Directors of the Company and the Company Secretary be and are hereby severally authorized to take all necessary steps in this regard in order to facilitate the legal and/ or procedural formalities and to do all such acts, deeds and things as it may, in its absolute discretion, deem necessary for such purpose and to settle any questions, difficulties or doubts that may arise in this regard and to make such representation/ filings to the Stock Exchange as may be necessary or desirable, in order to give effect to this resolution."

By Order of the Board
For RAJKUMAR FORGE LIMITED

Shruti Patil
Company Secretary
Membership No. : A40609

Place: Pune
Date : July 21, 2018

NOTES:

1) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business under Items No. 3 to 5 as set out in the Notice is annexed herewith.

2) 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.

3) 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.

4) Members / Proxies should bring the duly filled Attendance Slip at the Annual General Meeting (AGM). Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.

5) The relevant documents referred into the accompanying Notice and Statement are open for inspection by the Members at the Registered Office of the Company on all working days during normal business hours up to the date of the meeting and also at the AGM.

6) 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.

7) 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 20, 2018 to Wednesday, September 26, 2018** (both days inclusive) for determining the names of the Members eligible for final dividend on Equity Shares, if declared at the AGM.

8) Members holding shares in dematerialized form are requested to intimate the change in address, bank details etc. with their respective Depository Participants. Members holding shares in physical form are requested to intimate change of address to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company having its office at Block No. 202, Second Floor, Akshay Complex, Dhole Patil Road, Pune – 411001.

9) As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective DP.

10) Members, who still hold shares in physical form are advised to dematerialize their shareholding to avail the numerous benefits of dematerialization, which include easy liquidity, ease of trading & transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries. The ISIN No. of the Company is **INE013J01016**.

11) Members wishing to claim dividends, which remain unclaimed are requested to correspond with Link Intime India Private Limited, Registrar & Share Transfer Agent. Members are requested to note that dividends not claimed within seven years from the date of the transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956) be transferred to the Investor Education and Protection Fund.

12) To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Link Intime/Depositories.

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 securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

15) Members, who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names, are requested to send the Share Certificate(s) to the Company for consolidation into a single folio.

16) The Notice of the AGM along with the annual report for the year 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless the Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode.

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

18) The Annual Report for the year 2017-18 of the Company circulated to the members of the Company will be made available on the Company's website at www.rkforging.com.

By Order of the Board
For RAJKUMAR FORGE LIMITED

Shruti Patil
Company Secretary
Membership No. : A40609

Place: Pune
Date : July 21, 2018

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

ITEM NO. : 3

At the 27th Annual General Meeting of the Company held on September 27, 2017, the members had appointed M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants (Firm Registration No. 103277W) as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting (AGM) till the conclusion of 32nd Annual General Meeting to be held in the financial year 2022-23, subject to ratification of their appointment at every Annual General Meeting of the Company as per the requirement of then effective Section 139(1) of the Companies Act, 2013.

Your Board wishes to inform that, 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, it is proposed, as a major of abundant caution, to have ratification of appointment Statutory Auditors, done by the members for the entire unexpired period.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP's are, in any way, concerned or interested in the Resolution set out at Item No. 3 of the accompanying notice.

The Board of Directors of your Company recommends the passing of the Resolution set out at Item No. 3 of the Notice as an Ordinary Resolution.

ITEM NO. : 4

Mr. Nitin Rajore joined the Board of Directors of the Company as an Executive Director with effect from December 01, 2016 and subsequently designated as Whole Time Director of the Company for a period of 5 years. Mr. Rajore is a member of the Audit Committee and Stakeholder Relationship Committee of the Board of Directors of the Company.

Considering his association with the Company for more than 1 year and his active contribution towards the growth of the Company, the Nomination and Remuneration Committee, in its meeting held on May 26, 2018 recommended authorizing the Board of Directors to revise the remuneration of Mr. Rajore within the overall limits prescribed under the provisions of Section 197 and Schedule V of the Companies Act, 2013, up to ₹ 60 Lakhs (in case of absence of profits or if the Company has inadequate profits) or such increased limits as prescribed under Schedule V - Section II of Part II of the Companies Act, 2013, based on the changes in the net effective capital of the Company for a period of 3 years commencing from April 01, 2018; which was approved by the Board of Directors, in its meeting held on May 26, 2018.

However, due to inadequacy of profit the managerial remuneration payable needs the approval of members of the Company. Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder as an Annexure to this Notice.

The consent of the members is sought for authorizing the Board of Directors to revise the remuneration payable to Mr. Nitin Rajore as Whole Time Director of the Company within the overall prescribed limited mentioned in the resolution for a period of 3 years commencing from April 01, 2018 with an authority to the Board / Nomination and Remuneration Committee as the case may be, to make further revision in the remuneration structure from time to time.

Except Mr. Nitin Rajore himself, none of the other Director / Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 4 of the accompanying notice.

The Board of Directors of your Company recommends the passing of the Resolution set out at Item No. 4 of the Notice as an Ordinary Resolution.

ITEM NO. 5:

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from December, 2015, has provided a regulatory mechanism for re-classification of Promoters as Public Shareholders subject to fulfillment of conditions as provided therein.

The Company is in receipt of request letters from the following applicants for reclassifying themselves as Public, who also appears as Promoters in the Shareholding Pattern filed by the Company with the Stock Exchange for the quarter and year ended March 31, 2018 and their respective shareholding as on the said date:

Sr. No.	Name of the applicants	Shareholding as on March 31, 2018	% of Shareholding as on March 31, 2018
1	Mr. Milind Prabhakar Kothavale	0	0.00
2	Mr. Nitin Prabhakar Kothavale	0	0.00
3	Mr. Shirish Prabhakar Kothavale	0	0.00

The Board of Directors of the Company at their meeting held on February 10, 2018 have noted and taken on record the request letters received from the above mentioned applicants for reclassification as Public. As required, intimation has been sent to Stock Exchange based on declaration received from the aforesaid persons.

Based on the declarations received from these applicants, your Board confirms that:

- the names of these applicants appear in the promoter category by virtue of transmission of shares from deceased promoters. and are in no way related to any of the business carried out by the Company;
- they neither hold any Key Managerial Position in the Company nor engaged in any management or day to day affairs of the Company;
- none of their act influences the decision taken by the Company and they do not have any special right through formal or informal arrangements with the Company;
- none of these applicants, acting individually and in concert, directly or indirectly exercise control over the management and affairs of the Company; and
- they hold NIL shares in the Company.

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on date of the notice fulfills the minimum public shareholding requirement of at least 25% and the proposed reclassification does not intend to increase the Public Shareholding to achieve compliance with the minimum public shareholding requirement.

This being resolution for reclassification of erstwhile promoters, the new Promoter viz. Mr. K. B. Jindal, Mr. Arun Jindal and Mr. Shubham Jindal (Relative of Promoter) are deemed to be interested, none of the other Directors / Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the accompanying notice.

The Board of Directors of your Company recommends the passing of the Resolution set out at Item No. 5 of the Notice as Special Resolution.

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 57 years.		
Date of appointment	December 01, 2016		
Expertise in specific Professional areas	Over 36 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, 2018	NIL		
Chairman/ Member of the Committee of Board of other Private Companies as on March 31, 2018	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 2017-18	₹ 2.40 lacs		
Remuneration proposed to be paid	Mr. Jindal being non-executive director is eligible only for sitting fees as may be decided by the Board from time to time.		
Number of Meetings of the Board attended during the Year	8		
Number of Shares held in the Company as at March 31, 2018	6,00,000 shares		
Relationship between Directors inter-se	Not related to any Director of the Company.		

ANNEXURE RELATING TO ITEM NO. 4 OF THE NOTICE :

I. General Information				
1	Nature of Industry	The Company is engaged in the business of manufacturing medium and heavy open die forgings for the domestic and export market. The major products which the Company deals in are mill roller shafts, gear shafts, tail bars, gear rings, blanks, table rolls, pinions, spindles, rolls for slab and continuous casters, blooming mill and hot rolling mill roles, elongator rolls, wobblers and gearing components etc.		
2	Date or expected date of commencement of commercial production	The Company was incorporated on June 22, 1990. The existing plant of the Company is situated at Chakan, Pune and has commenced the Commercial Production for more than last 26 years.		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable		
4	Financial performance based on given indicators (₹ In lacs)	**2015-16**	**2016-17**	**2017-18**
	Net Sales	1024.17	425.58	2359.32
	Profit/(Loss) before Tax	(154.31)	(418.07)	70.04
	Net Profit/(Loss)	(112.03)	(370.19)	36.29
5	Foreign investments or collaborations, if any	NIL	NIL	NIL

II.	**Information about the appointee**	
1	Background details	Mr. Rajore is B.SC (Chemistry) Hons and has experience of about 37 years in the field of Manufacturing which includes overall management.
2	Past remuneration (₹ in lacs)	₹ 33.24 per annum
3	Recognition or awards	--
4	Profile and his suitability	Mr. Nitin Rajore is responsible for overall management and day to day affairs of the Company, under the supervision and control of the Board of Directors. He is also responsible to perform such other duties as may from time to time be entrusted by the Board. Taking into consideration the qualifications and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.
5	Remuneration proposed	As mentioned in the resolution.

6	Comparative Remuneration profile with respect to industry, size of the Company, Profile of the position and person	Taking into consideration the size of the Company, the profile of Mr. Rajore, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointees in other companies.
7	Pecuniary relationship directly/indirectly with the Company or with the Managerial Personnel, if any.	Apart from the remuneration and perquisites paid to Mr. Rajore as Whole Time Director as stated above and his respective shareholding held directly or indirectly in the Company, Mr. Rajore does not have any pecuniary relationship directly or indirectly with the Company and its managerial personnel.

III.	**Other Information**	
1	Reasons of inadequate profits	The erstwhile management was in search of probable business acquirer, the news of which resulted into loss of orders, as customer were reluctant to place the new orders in such scenario.
2	Steps taken or proposed to be taken for improvement	The new (current) management took over the Company in December, 2016, since then lots of initiatives have been taken in order to revamp the operations of the Company. To address these challenges, your Company has initiated several measures towards achieving organizational and operating efficiencies and controlling costs, alongside working on improvements in processes and controls.
3	Expected increase in the productivity and profit in measurable terms	The above measures undertaken are expected to yield positive results in the coming years. While it is difficult to give precise figures of expected increase in productivity and profit, the financial performance as compared with the previous year's financial performance showed a positive momentum by which it can be forecasted that Company's productivity and profit shall have positive momentum.

By Order of the Board

For RAJKUMAR FORGE LIMITED

Shruti Patil

Company Secretary

Membership No. : A40609

Place: Pune

Date : July 21, 2018

Registered Office:

29/1, Kharadi village,

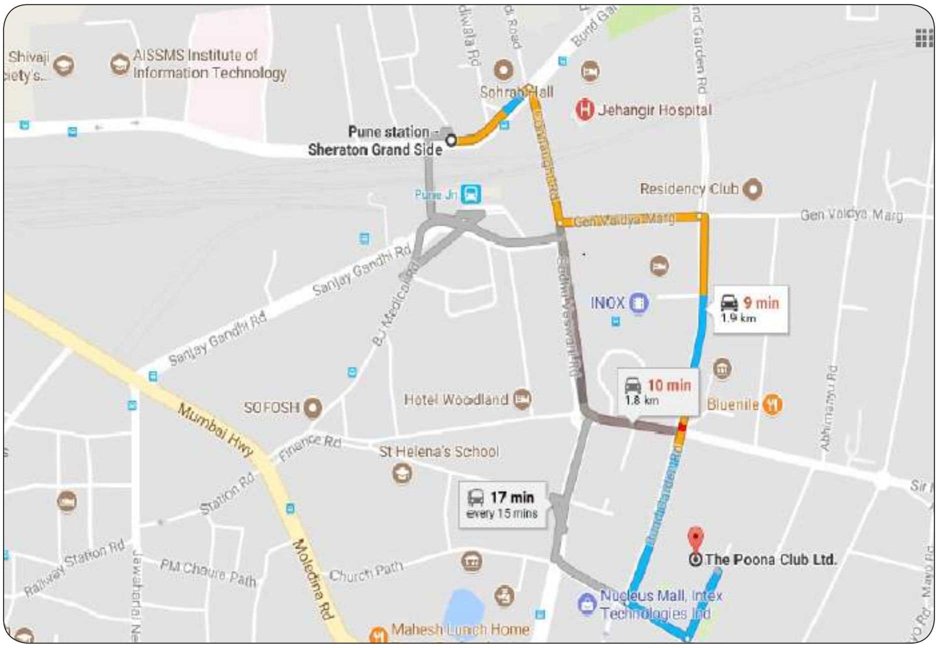
Off Pune Nagar Road,

Pune – 411 014

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 (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the (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 23, 2018 (9:00 a.m. IST) and ends on Tuesday, September 25, 2018 (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 19, 2018 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr no affixed on Annual Report, in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of O's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

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

(viii) After entering these details appropriately, click on “SUBMIT” tab.

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

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for Rajkumar Forge Limited on which you choose to vote.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

(xix) Note for Non – Individual Shareholders and Custodians

a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

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

c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

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

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) In case of any grievances in connection with voting by electronic means the shareholders can contact Ms. Shruti Patil, Company Secretary at her email secretarial@rkforge.in or contact her at 020 - 67310715.

(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 www.rkforging.com and on the website of CDSL www.evotingindia.com and the same shall also be communicated to BSE Limited.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ABOUT RAJKUMAR FORGE

Rajkumar Forge is one of the leading forging companies in India in the open die forging segment and amongst the first few to cater to the Oil and Gas markets in the US , Europe, Middle East and South East Asia. The company till the year 2016 was only supplying to the Oil and Gas segment and that too in the export markets. However with the slump in Oil prices, company de-risked its business by expanding its markets in the domestic domain. Presently the company is a preferred supplier to the Steel, Power, Mining, Gear and other engineering industries. With the oil prices finally looking up since October of last year, the Oil & Gas segment has increased substantially both domestically and internationally, an area in which Rajkumar Forge was most predominant.

INDIAN ECONOMY

India has overtaken France to become the sixth biggest economy, according to the updated World Bank data for 2017. Data released by International Monetary Fund (IMF) earlier this year also showed India replacing France at the sixth position. In current US dollars, India's GDP at $2.597 trillion for 2017 exceeded that of France's $2.582 trillion. India could overtake the UK in 2019, according to IMF projections, to break into the world's top 5 economies. IMF forecasts India to grow at 7.4% this year up from 6.7% for the full year 2017-18.

After a slight gap, India retained its position as the world's fastest growing economy in the January- March quarter at 7.7%. Sectors contributing to this growth were manufacturing, agriculture, construction and automobile. Due to the impending GST introduction in July 17, sales in the first quarter of last year was extremely poor. However with the Goods and Services Tax (GST) in place for nearly a year, heady growth is expected in the current year 2018-19. Various initiatives have been taken by the Government to improve and boost the confidence in the Indian economy one of them being the IBC.

OUTLOOK

Going further the Indian economy outlook is very bright and positive, backed by Make in India initiative, liberalized norms for enabling ease of doing business (India has come in the top 100), increased consumption, implementation of Goods and Services Tax, capital investment and the structural reforms undertaken by the Government. Global economy too is on a rebound and expected to clock higher growth as compared to last year. According to the IMF, global growth will move to 3.9% in 2018 from 3.8% in 2017 with the main drivers being US, China, Japan and India.

INDIAN FORGING INDUSTRY

Indian forging industry is one of the key industries in the growth of the Manufacturing sector in India, mainly catering to the automobile sector as well as other heavy industries like general engineering, steel, construction, mining, sugar, cement , power and the Oil and Gas industry, and is well recognized globally for its technical capabilities and quality standards. It has a capability to forge variety of raw materials like carbon, alloy, stainless, super alloy, titanium, aluminum etc. More than 60% of the total forging capacity is supplied to the Auto Sector and the rest to the Engineering Non- Auto Sector.

The Indian Forging industry meets almost all the domestic demand and has now emerged as an exporter of forgings due to growing trend among global OEM's to outsource forgings from manufacturers from low cost countries.

OPPORTUNITIES AND THREATS

With the Oil prices again moving up and crossing $70, rig counts have gone up substantially over the year, resulting in increased business from the Oil & Gas sector. Also exports have become lucrative too. 'Rajkumar being a dominant force in this sector, stands to gain the most. Coupled with the geo political situation in the world and the ongoing trade war between the US and Europe / China, resulting in the US imposing hefty sanctions on imports from Europe and China, India will benefit the most, as it would now be able to compete with low cost China. Rajkumar Forge with its technical knowledge, trained manpower and its ability to supply quality forgings on time, will have an edge over all its competitors.

Along with opportunities come threats. The current capacity utilization of the Indian Forging Industry is less than 70%. Also due to enhanced forging capacity being created in the open die segment, 'Rajkumar Forge faces extreme competition in this segment. With the growing demand of automobiles and the closure of many steel plants, who have come under NCLT, there is an acute shortage of steel in the country, resulting in delayed deliveries and high prices. Import was the only option for purchasing steel at competitive prices, but unfortunately due to devaluation of India Rupee to an all-time low of ₹ 70/-, that option has been ruled out.

RISKS AND CONCERNS

The risks most prominent are;

- Dependency on one single sector that is the Oil & Gas sector.
- Increasing raw material prices.
- Shortage of raw material.
- Shortage of skilled manpower.

Rajkumar Forge strives to timely identification of the probable risks and initiating timely assessment and analysis which helps in mitigating the effects of it on the business of the company.

INTERNAL CONTROLS AND ADEQUACY

The company has adequate and internal control robust systems and processes to ensure safeguarding of the company's assets against loss and to have proper policies and controls to ensure that all the transactions are authorized, recorded and reported correctly. An extensive exercise of internal audit and periodical review by the management strengthens the above procedures.

FINANCIAL AND OPERATIONAL PERFORMANCE

Detailed financial information is available in the Director's report and the attached financial statements.

After the takeover by the new management of Western India Forgings Private Limited, a company with more than 34 years of experience in Open Die, Close Die and Ring Rolling, the companies' performance has improved by leaps and bounds recording profit in the very first full year of operations. With a strong management in place, the company is poised to achieve greater heights in the current year, by increasing the customer base, both in the domestic and international markets. Company has also undertaken strong cost control measures in all the areas and is also planning major investments this year to increase the forging capacity as well as to reduce manufacturing costs. All these steps will result in improved top line as well as bottom line.

MANPOWER DEVELOPMENT IN HUMAN RESOURCE / INDUSTRIAL RELATIONS

The company has been able to settle the long pending old demands of the workmen by successfully negotiating a wage settlement. Similar wage hikes were implemented for the staff. With these steps, company is enjoying extremely cordial relations with the Human resources, who are totally involved towards the overall objectives of the company.

CAUTIONARY STATEMENT

Statements made in this report describing the company's projections, estimates, expectations or predictions maybe be "forward looking" within the meaning of applicable securities laws and regulations. Actual results may differ from such estimates whether expressed or implied. Factors which would make a significant difference to the company's operations include changes in Government regulations and tax laws, economic conditions affecting demand/supplies, raw material prices, competition, economic developments within and outside the country and any other environmental factors over which the company does not have any control.

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

Arun Jindal
Chairman
DIN : 00121523

Place : Pune
Date : July 21, 2018

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present the 28th Annual Report and Audited Financial Statements for the year ended March 31, 2018.

FINANCIAL HIGHLIGHTS:

Particulars	31.03.2018 (₹ in Lakhs)	31.03.2017 (₹ in Lakhs)
Revenue	2,932.26	637.56
Expenses excluding Interest and Depreciation & Amortization	2,677.07	848.96
Profit /(Loss) for the year before Interest, Depreciation & Amortization	255.19	(211.40)
Less : Interest Cost for the year	68.82	73.75
Less : Depreciation& Amortization	116.32	132.92
Gross Profit/(Loss) for the year	70.05	(418.07)
Add/(Less) Provision for Income Tax	(13.35)	-
Add/(Less) Deferred Tax	(20.41)	47.88
Net Profit/(Loss) for the period	36.29	(370.19)

DIVIDEND:

In view of proposed expansion plans, your Directors do not recommend a Dividend for the financial year ended March 31, 2018.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During financial year 2017-18, 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:

Sales income stood at ₹2078.16 Lakhs as compared to previous year of ₹426.24 Lakhs. This is a 4 fold increase from the time the new management took over. Export revenue saw an increase from ₹111.73 Lakhs achieved in previous year to ₹136.01 Lakhs. The growth in the Company's topline coupled with focus on cost reduction has helped the Company to earn profit of ₹36.29 Lakhs for the year ended March 31, 2018 as against net loss of ₹ 370.19 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:

The 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.

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. 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.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, your directors confirm:

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

DETAILS OF BOARD MEETINGS:

During the year, 8 (Eight) Board Meetings were held on May 15, 2017, May 29, 2017, August 11, 2017, September 13, 2017, November 14, 2017, December 04, 2017, February 10, 2018 and March 09, 2018.

COMMITTEES OF THE BOARD:

The composition of the committees of the Board of Directors has been detailed in the Corporate Governance annexure to this Report.

DECLARATION BY INDEPENDENT DIRECTORS:

Mr. R. T. Goel and Ms. Sudha Santhanam are the independent directors on the Board of your Company. In the opinion of the Board and as confirmed by these Directors, they fulfill the conditions specified in Section 149(7) of the Companies Act, 2013, and Rules made thereunder confirming that they meet the criteria of independence.

DIRECTORS AND KEY MANEGERIAL PERSONNEL:

The present Board composition is 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

Ms. Shilpa Dixit resigned from the position of Non-Executive Director with effect from April 10, 2017. Subsequently Ms. Sudha Santhanam was appointed in her place with effect from May 15, 2017.

Further, Ms. Shruti Khandelwal resigned from the position of the Company Secretary and Compliance Officer with effect from May 17, 2017 and subsequently Ms. Shruti Patil was appointed in her place with effect from May 29, 2017.

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.

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 2017-18. 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:

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

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

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

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, 2018.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

a. The sum of ₹9,43,600 /- being the amount of unpaid or unclaimed dividend for a period of seven years was transferred during the financial year 2017-18 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 5,34,300 shares to the Investor Education and Protection Fund in accordance with the provisions of Section 124 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules').

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.

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, 2018 and the date of signing of this Report.

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

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

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 conclusion of 32nd Annual General Meeting of the Company to be held in financial year 2022-23.

Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2015 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed Mr. Gaurav Nashikkar, Practicing Company Secretary (CP No. 13967) for conducting the Secretarial Audit of the Company for financial year 2017-18.

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

COST RECORDS AND / OR COST AUDIT:

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

REPORTING OF FRAUDS BY STATUTORY AUDITOR:

During the period under review, there were no frauds in the Company, hence no reporting made by the Statutory Auditors of the Company under sub-section (12) of Section 143 of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

RISK MANAGEMENT:

The Company has established a strong risk mitigation process which entails regular and stringent monitoring of its business activities to identify, evaluate and resolve risks. The top management of the Company and the Board are involved in monitoring of risk assessment and mitigation, thus ensuring a quick resolution mechanism. The Senior Management prioritizes the risks and finalizes the action plan for mitigation of the key risks.

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

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

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

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

PERSONNEL:

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

COMPLIANCE WITH SECRETARIAL STANDARDS:

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

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

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

ACKNOWLEDGEMENT:

Your Directors place on record their sincere appreciation for the steadfast commitment and highly motivated performance by employees at all levels which was instrumental in converting the Company into Profit making as compared with the loss making company through many fold growth during the year as compared to last year. The Directors expect this upward trajectory to continue in the years to come. The Directors also sincerely thank all the shareholders, business partners, government & other statutory bodies, bankers and advisors for their continued assistance, co-operation and support.

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

Arun Jindal
Place : Pune **Chairman**
Date : July 21, 2018 **DIN : 00121523**

Annexure A

Form No. AOC-2

(*Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and*

Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

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

SR. NO	PARTICULARS	DETAILS		
1	**Name of the related party**	Western India Forgings Private Limited including Kran Rader (Division of Western India Forgings Private Limited)	Orient Precision Engineering Private Limited	Western Heat and Forge Private Limited
2	**Nature of relationship**	Holding Company	Fellow subsidiary	Company owned and controlled by the relative of the Director
3	**Nature of contract/ arrangement/transaction**	Sale / purchases of forgings, payment of Labour charges	Sale / purchases of forgings, payment of Labour charges	Sale / purchases of forgings, payment of Labour charges
4	**Duration of contract/ arrangement/ transaction**	As per the purchase order	As per the purchase order	As per the purchase order
5	**Salient terms of the contract or arrangement or transaction**	Payment conditions, terms of delivery, applicability of taxes shall be as per the purchase order. Estimated annual value of ₹25 crore	Payment conditions, terms of delivery, applicability of taxes shall be as per the purchase order. Estimated annual value of ₹10 crore.	Payment conditions, terms of delivery, applicability of taxes shall be as per the purchase order. Estimated annual value of ₹10 crore.
6	**Date of approval by the Board, if any**	29.05.2017 & 10.02.2018	29.05.2017	29.05.2017
7	**Amount paid as advances, if any**	NIL	NIL	NIL

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

Arun Jindal
Chairman
DIN : 00121523

Place : Pune
Date : July 21, 2018

Annexure B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

For the financial year ended on March 31, 2018

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L28910PN1990PLC056985
2.	Registration Date	June 22, 1990
3.	Name of the Company	Rajkumar Forge Limited
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	29/1, Kharadi Village, Off Pune Nagar Road, Pune-411014 Telephone No. – (020) 67310700 Email : secretarial@rkforge.in Website : http://www.rkforging.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. Block 202, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411001 Phone: (020) 26160084, (020) 26161629 Email: pune@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Western India Forgings Private Limited Registered Office : Gat No. 163, Off Nagar Road, Sanaswadi, Tal-Shirur Pune-412208	U28910PN1981PTC024155	Holding Company	63.96%	Section 2(46)

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

A) Category-wise Share Holding as on March 31, 2018

Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	0	280900	280900	2.57	625000	280900	905900*	8.28	**5.71**
b) Central Govt.	0	0	0	0	0	0	0	0	**0.00**
c) State Govt(s)	0	0	0	0	0	0	0	0	**0.00**
d) Bodies Corp.	0	0	0	0	6997218	0	6997218*	63.96	**63.96**
e) Banks / FI	0	0	0	0	0	0	0	0	**0.00**
f) Any other	0	0	0	**0**	0	0	0	**0**	**0.00**
Sub-total (A)(1):-	**0**	**280900**	**280900**	**2.57**	**7622218**	**280900**	**7903118**	**72.24**	**69.67**

(2) **Foreign**									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	101500	101500	0.93	0	101500	101500	0.93	**0.00**
b) Government	0	0	0	0	0	0	0	0	**0.00**
c) Institutions	0	0	0	0	0	0	0	0	**0.00**
d) Foreign Portfolio Investor	0	0	0	0	0	0	0	0	**0.00**
f) Others (specify)	0	0	0	0	0	0	0	0	**0.00**
Sub-total (A)(2):-	**0**	**101500**	**101500**	**0.93**	**0**	**101500**	**101500**	**0.93**	**0.00**
Total shareholding of Promoter (A)=(A)(1)+ (A)(2)	**0**	**382400**	**382400**	**3.50**	**7622218**	**382400**	**8004618**	**73.17**	**69.67**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	**0.00**
b) Banks / FI	0	100	100	0.00	0	100	100	0.00	**0.00**
c) Central Govt	0	0	0	0.00	0	0	0	0.00	**0.00**
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	**0.00**
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	**0.00**
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	**0.00**
g) FIIs	0	0	0	0.00	0	0	0	0.00	**0.00**
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	**0.00**
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	**0.00**
Sub-total (B)(1):-	**0**	**100**	**100**	**0.00**	**0**	**100**	**100**	**0.00**	**0.00**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	0	0	0	0.00	0	0	0	0.00	**0.00**
ii) Overseas	0	0	0	0.00	0	0	0	0.00	**0.00**
b) Individuals									
i) Individual shareholders holding nominal share capital up to2 lakh	637967	1650200	2288167	20.92	844382	1124700	1969082	18.00	**(2.92)**
ii) Individual shareholders holding nominal share capital in excess of2 lakh	889997	156600	1046597	9.57	158719	71600	230319	2.11	**(7.46)**
c) Others (specify)									
HUF	118195	0	118195	1.08	35444	0	35444	0.32	**(0.76)**
Non-Resident Indians	865	0	865	0.01	3301	0	3301	0.03	**0.02**
Corporate Bodies	7059150	9000	7068150	64.61	149361	6600	155961	1.43	**(63.18)**
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	**0.00**
Clearing Members	34926	0	34926	0.32	6275	0	6275	0.06	**(0.26)**
Trusts	0	0	0	0.00	0	0	0	0.00	**0.00**
Foreign Bodies -D R	0	0	0	0.00	0	0	0	0.00	**0.00**
Investor Education and Protection Fund Authority	0	0	0	0.00	534300	0	534300	4.88	**4.88**
Sub-total (B)(2):-	**8741100**	**1815800**	**10556900**	**96.50**	**1731782**	**1202900**	**2934682**	**26.83**	**(69.67)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**8741100**	**1815900**	**10557000**	**96.50**	**1731782**	**1203000**	**2934782**	**26.83**	**(69.67)**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**8741100**	**2198300**	**10939400**	**100**	**9354000**	**1585400**	**10939400**	**100**	**0.00**

*These numbers contains the shareholding of Western India Forgings Private Limited, Mr. Arun Jindal and Mr. Krishankumar Jindal, who were classified as Promoters of the Company during the financial year 2017-18.

B) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on March 31, 2017]			Shareholding at the end of the year [As on March 31, 2018]			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Western India Forgings Private Limited*	6997218	63.96	0.00	6997218	63.96	0.00	0.00
2	Arun Krishankumar Jindal*	600000	5.48	0.00	600000	5.48	0.00	0.00
3	Krishankumar Brijlal Jindal*	25000	0.23	0.00	25000	0.23	0.00	0.00
4	Anil Annash Kothavale	171500	1.56	0.00	171500	1.56	0.00	0.00
5	Shashikant Kothavale	55400	0.51	0.00	55400	0.51	0.00	0.00
6	Tripti Ravindra Kothavale	50000	0.46	0.00	50000	0.46	0.00	0.00
7	Basava Kothavale	4000	0.04	0.00	4000	0.04	0.00	0.00
8	Avinash Annash Kothavale	51500	0.47	0.00	51500	0.47	0.00	0.00
9	Manu Kothavale	50000	0.46	0.00	50000	0.46	0.00	0.00
	TOTAL	**8004618**	**73.17**	**0.00**	**8004618**	**73.17**	**0.00**	**0.00**

* Western India Forgings Private Limited, Mr. Arun Jindal and Mr. Krishankumar Jindal were classified as Promoters of the Company during financial year 2017-18.

C) Change in Promoters' Shareholding

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
No change has taken place in the promoter's shareholding during the year								

D) Shareholding Pattern of top ten Shareholders

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

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Jayesh Anant Sheth (HUF)	60000	0.55	21.04.2017 31.03.2018	(60000) 0	Sale	0 0	0.00 0.00
2	Arwa Umesh	60000	0.55	01.09.2017 08.09.2017 13.10.2017 02.02.2018 09.02.2018 23.02.2018 02.03.2018 31.03.2018	1388 (1388) 12625 (17410) (1700) (31910) (21605) 0	Purchase Sale Purchase Sale Sale Sale Sale	61388 60000 72625 55215 53515 21605 0 0	0.56 0.55 0.66 0.50 0.49 0.19 0.00 0.00
3	Mahendra Girdharilal	50192	0.46	31.03.2018	No Change	-	50192	0.46
4	Pai Dayananda	50000	0.46	01.12.2017 31.03.2018	(50000) 0	Sale	0 0	0.00 0.00
5	Tradelink Exim India Private Limited	49585	0.45	07.04.2017	2200	Purchase	51785 51785	0.47 0.47
6	Guruling Masali	21600	0.20	31.03.2018	No Change	-	21600	0.00
7	Subhash Tipanna Nelge	20000	0.21	08.09.2017 26.01.2018 02.02.2018 31.03.2018	(500) (1371) (1371)	Sale Sale Sale	19500 18129 16758 16758	0.18 0.17 0.15 0.00
8	Pradeep Datar	10500	0.10	31.03.2018	No Change	-	10500	0.10

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
9	Sharekhan Limited	500	0.00	28.04.2017	700	Purchase	1200	0.01
				05.05.2017	(700)	Sale	500	0.00
				07.07.2017	500	Purchase	0	0.00
				14.07.2017	100	Purchase	100	0.00
				21.07.2017	(100)	Sale	(100)	0.00
				25.08.2017	100	Purchase	100	0.00
				01.09.2017	(100)	Sale	0	0.00
				22.09.2017	100	Purchase	100	0.00
				10.11.2017	150	Purchase	250	0.00
				17.11.2017	(150)	Sale	100	0.00
				08.12.2017	200	Purchase	300	0.00
				15.12.2017	(50)	Sale	250	0.00
				22.12.2017	100	Purchase	300	0.00
				29.12.2017	(349)	Sale	1	0.00
				12.01.2018	12	Purchase	13	0.00
				19.01.2018	11692	Purchase	11705	0.11
				26.01.2018	(11158)	Sale	547	0.01
				02.02.2018	20669	Purchase	21216	0.19
				09.02.2018	(4600)	Sale	16616	0.15
				16.02.2018	45	Purchase	16661	0.15
				23.02.2018	(190)	Sale	16471	0.15
				02.03.2018	36310	Purchase	52781	0.48
				09.03.2018	(1475)	Sale	51306	0.47
				16.03.2018	(6956)	Sale	44350	0.41
				23.03.2018	750	Purchase	45100	0.41
				31.03.2018			45100	0.41
10	Samir Arvind Thakkar	0	0.00	17.11.2017	60000	Purchase	60000	0.55
				31.03.2018			60000	0.55
11	Competent Finman Private Limited	0	0.00	09.02.2018	5000	Purchase	5000	0.05
				23.03.2018	25000	Purchase	30000	0.27
				31.03.2018	30000		30000	0.27
12	Investor Education and Protection Fund Authority	0	0.00	29.11.2017	534300	Transfer	534300	4.88
							534300	4.88

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year		Dates	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Arun Krishankumar Jindal	600000	5.48	31.03.2018	No Change	-	600000	5.48
2	Nitin Shyam Rajore	500	0.005	31.03.2018	No Change	-	500	0.005
3	Ratanlal Tikaram Goel	0	0.00	-	-	-	0	0.00
4	Sudha Santhanam	0	0.00	-	-	-	0	0.00
5	Shilpa Kedar Dixit	0	0.00	-	-	-	0	0.00
6	Shubham Jindal	0	0.00	-	-	-	0	0.00
7	Shruti Patil	0	0.00	-	-	-	0	0.00
8	Shruti Khandelwal	0	0.00	-	-	-	0	0.00

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	400.30	-	-	400.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	400.30	**-**	**-**	400.30
Change in Indebtedness during the financial year				
* Addition	189.66		-	189.66
* Reduction	90.00	-	-	90.00
Net Change	99.66	**-**	**-**	99.66
Indebtedness at the end of the financial year				
i) Principal Amount	499.96	-	-	499.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**499.96**	**-**	**-**	**499.96**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Nitin Rajore	
1	Gross salary	30.00	30.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify…	-	-
5	Others, please specify Drivers Salary Gratuity	 1.80 1.44	 1.80 1.44
	Total (A)	**33.24**	**33.24**
	Ceiling as per the Act	10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.	

B. Remuneration to other directors: (₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		R. T. Goel	Shilpa Dixit# up to April 10, 2017	Sudha Santhanam* w.e.f. May 15, 2017	
1	**Independent Directors**				
	Fee for attending board committee meetings	2.40	Nil	2.40	4.80
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	**2.40**	**Nil**	**2.40**	**4.80**
2	**Other Non-Executive Directors**	**Arun Jindal**			
	Fee for attending board committee meetings	2.40			2.40
	Commission	-			-
	Others, please specify	-			-
	Total (2)	**2.40**			**2.40**
	Total (B)=(1+2)				**7.20**
	Total Managerial Remuneration				**7.20**
	Overall Ceiling as per the Act	1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.			

#Ms. Shilpa Dixit was appointed as an Independent Director w.e.f. December 01, 2016 and resigned from the position w.e.f. April 10, 2017.

* Ms. Sudha Santhanam was appointed as an Independent Director w.e.f. May 15, 2017.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: (₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Shubham Jindal (Chief Financial Officer)	**Shruti Khandelwal* (Company Secretary)** up to May 17, 2017	**Shruti Patil* (Company Secretary)** w.e.f. May 29, 2017	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.03	0.57	3.92	10.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify…	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**6.03**	**0.57**	**3.92**	**10.52**

* Details pertain to part of the year.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Arun Jindal
Chairman
DIN : 00121523

Place : Pune
Date : July 21, 2018

Annexure C

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to section 204 (1) of the Companies Act, 2013 and

Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
RAJKUMAR FORGE LIMITED
29/1, KHARADI VILLAGE, OFF PUNE NAGAR ROAD,
PUNE - 411014
CIN: L28910PN1990PLC056985

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rajkumar Forge Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013, The Companies Amendment Act, 2017 (the Act) and the rules made thereunder (in so far as they are made applicable);

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(not applicable to the Company during the Audit Period);**

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the Company during the Audit Period);**

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the Audit Period);**

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and dealing with client to the extent of securities issued;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during the Audit Period)**; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to the Company during the Audit Period)**.

  (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 (applicable from 1 December 01, 2015).

(vi) No law is specifically applicable to the Company.

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

  (i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and

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

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

1) The Company has filed application in e-form CG 1 for condonation of delay with respect to delay in filing of e-forms MGT 14 for Approval of Financial Statement and Board's Report for the financial year ended March 31, 2015 and March 31, 2016, the e-form relating to

financial year ended March 31, 2015 has been approved and the e-form for the financial year ended March 31, 2016 is still pending for approval.

2) The Company has transferred amount of unclaimed dividend with respect to dividend declared in financial years 2008-09 and 2009-10 to the Investor Education and Protection Fund on March 31, 2017 and October 25, 2017 respectively and e-forms IEPF-1 for the same has been filed with Registrar of Companies.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, at the annual general meeting held on September 27, 2017, following special resolutions were passed:-

a. Re-classification of the promoters of the company from Promoter category to Public category.

b. Adoption of new set of Articles of Association as per the provisions of Companies Act, 2013.

Gaurav Nashikkar

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

Date: July 21, 2018 **C.P. No. 13967**

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

'ANNEXURE A'

The Members,

RAJKUMAR FORGE LIMITED

29/1,KHARADI VILLAGE, OFF PUNE NAGAR ROAD,

PUNE - 411014

CIN: L28910PN1990PLC056985

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

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

Gaurav Nashikkar

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

Date : July 21, 2018 **C.P. No. 13967**

Annexure D

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

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

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

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

   - None of the Directors of the Company is in receipt of any kind of remuneration other than the Sitting Fees.
   - The ratio of remuneration of Executive Director (designated as "Whole Time Director") to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase in his remuneration during the financial year 2017-18 are given below:

Executive Director (designated as "Whole Time Director")	Ratio to Median	Percentage Increase in Remuneration
Mr. Nitin Rajore (w.e.f. December 01, 2016)	10.63 : 1	The percentage increase in remuneration of the Whole Time Director is not applicable since Mr. Rajore had waived the remuneration from December 01, 2016 to March 31, 2017.

   - The percentage increase in the remuneration of Chief Financial Officer : NIL
   - During the financial year 2017-18, Ms. Shruti Khandelwal resigned as Company Secretary w.e.f. May 17, 2017.

     Ms. Shruti Patil was appointed as Company Secretary of the Company w.e.f. May 29, 2017. Hence percentage increase in remuneration is not applicable.

2. The percentage increase in the median remuneration of employees in the financial year : 30.58%.

3. The number of permanent employees on the roll of Company : 69 employees.

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   The average percentage increase in the salaries of employees other than the managerial personnel in the last financial year is between 10-15 percent. The increment given to each individual employee is based on the employees' performance and also benchmarked against a comparable basket of relevant companies in India.

   There was NIL increase in the remuneration of Mr. Nitin Rajore, Whole Time Director of the Company.

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

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

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

Arun Jindal
Chairman
DIN : 00121523

Place : Pune
Date : July 21, 2018

Annexure E

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	1) Installation of CFL in place of conventional lighting systems, The CFL aids in conserving energy to a great extent. 2) Planning of holidays in such a manner that the less energy gets wasted in starting of furnaces which optimizes the process and thus enhance the productivity without substantially increasing power consumption. 3) All the employees are sensitized on conserving the energy. Further, the Company continuously evaluates new technologies and techniques to make infrastructure more energy efficient.
(ii)	the steps taken by the company for utilizing alternate sources of energy	The Company has utilized Gas instead of Oil for furnace which has resulted into less pollution and better efficiency.
(iii)	the capital investment on energy conservation equipment's	During the year, Company has not invested in energy conservation equipment's.

(b) Technology absorption

(i)	the efforts made towards technology absorption	1) Improvisation of forging process; 2) Re-conditioning of forging press; 3) Making new tools and fixtures to enhance the efficiencies.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Being an engineering manufacturing Company, orders are based on the customers' requirements.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not Applicable
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	During the year, the Company has not undertaken significant R & D activities.

(c) Foreign exchange earnings and Outgo

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

The year-end foreign currency (FC) exposures that are unhedged by a derivative instrument or otherwise are as follows:				
Particulars	**March 31, 2018**		**March 31, 2017**	
Receivables in foreign currency	₹33,52,683	USD 50,055	₹19,615	USD 304.37
	₹95,760	GBP 1,050	₹9,76,374	GBP 12,150
Advance from customers	₹23,28,533	USD 35,799	₹21,57,151	USD 33,475

The above details are also furnished under Note No. 40 of 'Notes to the financial statements'.

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

Arun Jindal
Chairman
DIN : 00121523

Place : Pune
Date : July 21, 2018

REPORT ON CORPORATE GOVERNANCE

In compliance with the provisions of Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company submits the Report on Corporate Governance for the financial year ended March 31, 2018 containing the matters in the said Regulations with respect to Corporate Governance Requirements.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

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

BOARD OF DIRECTORS:

Composition of Board:

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. The Company had four Directors as on March 31, 2018 comprising of one Executive Director holding office of Whole-time Director and three Non-Executive Directors, with one being Woman Director. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 149 of the Companies Act, 2013.

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

Name	Category	Number of Board Meetings held during the year 2017-18			Whether attended last AGM	No. of Directorships in other Public Limited Companies (Excluding this company)	Committee positions held in other Public Limited Companies (Excluding this company)	
		Held	Entitled to attend	Attended			Member	Chairperson
Arun Jindal	Non- Executive Director	8	8	8	Yes	-	-	-
Nitin Rajore	Executive Director	8	8	8	Yes	-	-	-
R. T. Goel	Non- Executive Independent Director	8	8	8	Yes	-	-	-
Shilpa Dixit(*)	Non- Executive Independent Director	8	0	0	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Sudha Santhanam(#)	Non- Executive Independent Director	8	7	7	Yes	-	-	-

* Ms. Shilpa Dixit resigned from the position of Non- Executive Independent Director w.e.f. April 10, 2017.

Ms. Sudha Santhanam was appointed as Non- Executive Independent Director w.e.f. May 15, 2017.

None of the Directors are related to another.

Meetings of the Board of Directors:

During the year 2017-18, Eight (8) Board Meetings were held on May 15, 2017, May 29, 2017, August 11, 2017, September 13, 2017, November 14, 2017, December 04, 2017, February 10, 2018 and March 09, 2018.

The necessary quorum was present at all the Board Meetings.

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

Information placed before the Board:

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

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

Disclosure of relationship between Directors inter-se:

Name of Director	Director to whom related	Nature of Relationship
Arun Jindal	Not related to any Director of the Company	N.A
Nitin Rajore	Not related to any Director of the Company	N.A
R. T. Goel	Not related to any Director of the Company	N.A
Shilpa Dixit	Not related to any Director of the Company	N.A
Sudha Santhanam	Not related to any Director of the Company	N.A

Number of shares held by Non-Executive Directors:

Mr. Arun Jindal, Non-Executive Director holds 6,00,000 Equity Shares. None of the other Non-Executive Directors hold any Shares or convertible instruments of the Company as on March 31, 2018.

Familiarization programme for Independent Directors:

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

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

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

BOARD COMMITTEES:

Currently Board has five committees –

i) Audit Committee;

ii) Nomination and Remuneration Committee;

iii) Stakeholders Relationship Committee;

iv) Share Transfer Committee; and

v) Committee for issue of duplicate Share Certificate.

i) Audit Committee:

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

During the period under review, five (5) meetings of Audit Committee were held on May 29, 2017, August 04, 2017, September 13, 2017, December 04, 2017 and February 10, 2018.

The composition of the Audit Committee as on March 31, 2018 and attendance of members in the meetings held during the financial year 2017-18 is as under:

Name of the Director	Designation	Category	No. of meetings attended
R. T. Goel	Chairman	Non-Executive Independent Director	5
Nitin Rajore	Member	Executive Director	5
Shilpa Dixit(*)	Member	Non-Executive Independent Director	0
Sudha Santhanam(*)	Member	Non-Executive Independent Director	5

(*) Due to resignation of Ms. Shilpa Dixit w.e.f. April 10, 2017, the Company in its Board Meeting held on May 15, 2017, reconstituted the Committee and appointed Ms. Sudha Santhanam as member of the Committee, in her place.

Terms of Reference:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Management discussion and analysis of financial condition and results of operations;
9. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
10. Management letters / letters of internal control weaknesses issued by the statutory auditors;

11. Internal audit reports relating to internal control weaknesses;
12. Review the functioning of the whistle blower mechanism;
12. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
13. Statement of deviations:
    (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
    (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7); and
14. Dealing with any other function as may be prescribed in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, time to time.

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

The Audit Committee meetings are attended by the Chief Financial Officer. The Statutory Auditors and Internal Auditors, upon invitation, attend the meetings. During the year 2017-18, they have attended majority of Audit Committee meetings.

The Chairman of the Audit Committee was present at the 27th Annual General Meeting held on September 27, 2017.

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

ii) Nomination and Remuneration Committee:

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

During the year under review three (3) meetings of Nomination and Remuneration Committee were held on May 15, 2017, May 29, 2017 and February 18, 2018.

The composition of the Nomination and Remuneration Committee as on March 31, 2018 and attendance of members in the meetings held during the financial year 2017-18 is as under:

Name of the Director	Designation	Category	No. of meetings attended
R. T. Goel	Chairman	Non-Executive Independent Director	3
Arun Jindal	Member	Promoter Non-Executive Director	3
Shilpa Dixit(*)	Member	Non-Executive Independent Director	0
Sudha Santhanam(*)	Member	Non-Executive Independent Director	2

(*) Due to resignation of Ms. Shilpa Dixit w.e.f. April 10, 2017, the Company in its Board Meeting dated May 15, 2017, reconstituted the Committee and appointed Ms. Sudha Santhanam as member of the Committee in her place.

Terms of reference:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and;
2. Shall carry out evaluation of every director's performance;
3. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
4. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
5. Devising a policy on diversity of board of directors;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Dealing with any other function as may be prescribed in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EVALUATION OF INDIVIDUAL DIRECTORS, THE BOARD & ITS COMMITTEES:

Evaluation of Individual Directors:

1. Pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidance Note on Board Evaluation issued by SEBI vide Circular dated January 5, 2017, the Board has carried out the annual performance evaluation for financial year 2017-18 of its own performance, the Directors individually as well as the evaluation of the working of its Committees viz. 'Audit Committee', 'Nomination and Remuneration Committee' and the 'Stakeholders Relationship Committee'.
2. The review of the performance of all the Directors (including the Chairman) was also evaluated for financial year 2017-18 by the 'Nomination and Remuneration Committee'.
3. The performance review of the Non-independent Directors was evaluated for financial year 2017-18 in the meeting of the 'Independent Directors'.

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

A. Details of professional qualifications;

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

C. Knowledge and Competency;

D. Fulfillment of functions;

E. Ability to function as a team;

F. Initiative;

G. Availability and attendance;

H. Commitment;

I. Contribution;

J. Integrity; and

K. Independence.

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

Evaluation of Board:

1. Areas on Board Evaluation as per SEBI Guidance Note:
   - A. Structure of the Board;
   - B. Meetings of the Board;
   - C. Functions of the Board; and
   - D. Board & Management.
2. The broad criteria followed for evaluation of the performance of Board Committees include:
   - A. Mandate and composition;
   - B. Effectiveness of the Committee;
   - C. Structure of the Committee and meetings;
   - D. Independence of the Committee from the Board; and
   - E. Contribution to decisions of the Board.

DETAILS OF REMUNERATION TO ALL DIRECTORS:

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

1. Details of managerial remuneration for the financial year 2017-18 are given below:

(₹ In lacs)

Name	Salary & Allowances	Perquisites	Total
Mr. Nitin Rajore, Whole Time Director (Appointed w.e.f. December 01, 2016)	30.00	3.24	33.24

2. Details of remuneration of Non- Executive Directors:

Sitting fees to Directors:

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

The details of Sitting Fees paid to Non-Executive Directors for the financial year 2017-18 are as under:

(₹ In lacs)

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

None of the Non-Executive Directors of the Company is in receipt of any kind of remuneration / commission other than the Sitting Fees as mentioned above.

The Company has not provided any stock option to Directors of the Company.

3. **Directors with material pecuniary or business relationship with the Company:**

The Company did not have any pecuniary relationship or transactions with its Non-Executive and/or Independent Directors during the financial year 2017-18.

iii) Stakeholders Relationship Committee:

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

During the year under review four (4) meetings of Stakeholders Relationship Committee were held on May 29, 2017, September 13, 2017, December 04, 2017 and February 10, 2018.

The composition of the Stakeholders Relationship Committee as on March 31, 2018 and attendance of members in the meetings held during the financial year 2017-18 is as under:

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

Terms of Reference:

To monitor redressal of investor complaints received from stock exchanges, SEBI and shareholders.

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

The details of Shareholders Complaints received so far, resolved and pending during the financial year 2017-18 are as follows:

Received	Resolved	Pending
1	1	0

There were no pending Shareholders complaints as on March 31, 2018.

iv) Share Transfer Committee:

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

During the year under review, Thirty One (31) meetings of the Share Transfer Committee were held.

The composition of the Committee is as follow:

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

Terms of Reference:

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

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

The Share transfers approved by the Committee are placed at the Board meetings from time to time. The Company attends to the Investor correspondence promptly. There were no pending share transfers as on March 31, 2018.

Amounts / Shares Transferred to IEPF

As per the provisions of Section 124 read with Section 125 of the Companies Act, 2013, the Company is required to transfer unpaid dividends, matured deposits, redeemed debentures and interest accrued thereon remaining unclaimed / unpaid for a period of 7 (seven) consecutive years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

During the year, the Company made attempt to establish contact with those members/shareholders who had not claimed dividend(s) and the requisite communication was sent to the shareholders having unclaimed dividends to enable them to claim it.

Further, in terms of sub-section (6) of section 124 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all shares in respect of which dividend has not been encashed by the members/shareholders for a consecutive period of 7 (seven) years is also required to be transferred to the IEPF. The Company had transferred shares corresponding to the unclaimed dividend pertaining to the financial year 2009-10 during November, 2017 pursuant to the provisions under Section 124 of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”). There were no shares in Suspense Account.

Even after transfer to IEPF, members/shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF - 5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed, to the Company along with the requisite documents enumerated in the Form IEPF - 5. Members/shareholders can file only one consolidated claim in a financial year as per the IEPF Rules.

The Company has appointed Ms. Shruti Patil, Company Secretary and Compliance Officer of the Company as a Nodal Officer under the provisions of IEPF Rules.

The Company has uploaded the details of unpaid / unclaimed amounts lying with the Company as on September 27, 2017 (date of last AGM) on the Company's website http://www.rkforging.com/shareholder-information/ and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in/

v) Committee for issue of duplicate Share Certificate:

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

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

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

MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on February 18, 2018, inter-alia, to discuss:

a. Review the performance of Non-Independent Directors and the Board as a whole for the financial year 2017-18;

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

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

All the Independent Directors were present at the Meeting.

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

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

QUORUM:

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

OTHER DISCLOSURES:

Related Party Transactions:

During the financial year 2017-18, the Company had transactions with related parties as defined under the provisions of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The basis of related party transactions is placed before the Audit Committee. All these transactions with related parties were in the 'ordinary course of business' and on 'arm's length basis'. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are repetitive in nature.

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

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

Except transactions with Western India Forgings Private Limited and Orient Precision Engineering Private Limited, there were no material related party transactions in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year 2017-18. Suitable disclosure as required has been made in the Note No. 44(2) of the Financial Statements. The Company's Policy on Related Party Transactions has been uploaded on the Company's website at http://www.rkforging.com/wp-content/uploads/2017/05/RELATED-PARTY-TRANSACTION-POLICY.pdf

Accounting Treatment:

No treatment different from that prescribed in an Accounting Standards has been followed by the Company.

Code of Conduct for Prevention of Insider Trading:

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 on prevention of insider trading, your Company has a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines, which advise Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances.

Your Company also has a Code of practices and procedures of fair disclosures of unpublished price sensitive information. Both the aforesaid Codes are in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Code of Conduct:

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

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

Means of communication

Half yearly report sent to each household of Shareholder	:	No
Quarterly, half yearly and the annual results:		
Which newspapers normally published in	:	**Loksatta & Financial Express**
Any website where displayed	:	www.rkforging.com
Whether it also displays official news releases and		
presentations made to institutional investors or to analysts	:	Yes
Whether MD&A is a part of annual report or not	:	Yes

DETAILS OF COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON MANDATORY REQUIREMENTS:

The Company has complied with all mandatory requirements laid down under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including compliance with Regulations* 17 to 20, 22, 23, 25, 26 27 and clauses (b) to (i) of the sub- Regulation 2 of Regulation 46 and sub-para (2) to (10) as mentioned in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,* Regulation 21 and 24 are not applicable to the Company.

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

- **Separate posts of Chairman and Whole Time Director:** The Chairman of the Board is a Non-executive Director and his position is separate from that of the Whole Time Director.
- **Shareholders rights:** The quarterly results along with the press release are uploaded on the website of the Company.
- **Modified Opinion in Auditors Report:** The Company's financial statement for the financial year 2017-18 does not contain any modified audit opinion.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
- **Disclosure of commodity price risk and commodity hedging activities:** The Company is not dealing in commodities and hence disclosure relating to commodity price risk and commodity hedging activities is not required.
- **Web link where Policy on Related Party Transactions has been disclosed:** The same has been uploaded on the Company's website at http://www.rkforging.com/wp-content/uploads/2017/05/RELATED-PARTY-TRANSACTION-POLICY.pdf
- **Statutory Compliance, Penalties and Strictures:** The Company has complied with the requirements of the Stock Exchanges / SEBI / Statutory Authority on all matters related to capital markets during last three years. No penalties or strictures have been imposed on the Company by these authorities.

SHAREHOLDER INFORMATION:

The additional information to shareholders, which forms part of the Corporate Governance Report, is annexed hereto.

GENERAL BODY MEETINGS:

Particulars of Annual General Meetings / Extra Ordinary General Meeting held during last three years are as follows:

AGM for the financial year	AGM / EGM	Date & time	Venue	No. of Special Resolutions
2016-17	AGM	September 27, 2017 at 11.00 a.m.	Poona Club Limited, 6 Bund Garden Road Pune-411001	2
2016-17	EGM	January 31, 2017 at 11.00 a.m.	Poona Club Limited, 6 Bund Garden Road Pune-411001	2
2015-16	AGM	September 20, 2016 at 11.30 a.m.	Poona Club Limited, 6 Bund Garden Road Pune-411001	-
2014-15	AGM	August 10, 2015 at 10.30 a.m.	Poona Club Limited, 6 Bund Garden Road Pune-411001	2

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

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

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting:

Particulars	Details
Date and Time	Wednesday, September 26, 2018 at 11.00 a.m.
Venue	Poona Club, 6 Bund Garden Road, Pune – 411 001
Financial year	April 01, 2017 to March 31, 2018
Book Closure Dates	September 20, 2018 to September 26, 2018 (both days inclusive)
Purpose	Annual General Meeting

2. Registered Office Address:

29/1, Kharadi Village, Off Pune Nagar Road, Pune 411 - 014

3. Listing Details:

No. of securities listed - 1 to 10939400

Name, Address and Telephone Nos. of Stock Exchange	Scrip Code	Listing Fees for 2018-19
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Tel.: (022) 22721233 / 34	513369	Paid

4. Share Transfer System:

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

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

Break up of shareholding in physical and demat mode (As on March 31, 2018)

Type of Holding	Percentage to share capital
Physical	14.49%
Dematerialized	85.51%
TOTAL	**100.00%**

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

5. ISIN Number - INE013J01016

6. Registrar and Share Transfer Agent:

Link Intime India Private Limited

Head Office	Pune Office
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai – 400 078 Telephone No. (022) 25963838 Fax No. (022) 25946979	Block No. 202, 2nd Floor, Akshay Complex, Dhole Patil Road, Pune – 411 001 Telephone No. (020) 26163503 / 26051629 Email ID : pune@linkintime.co.in

7. Market Price Data:

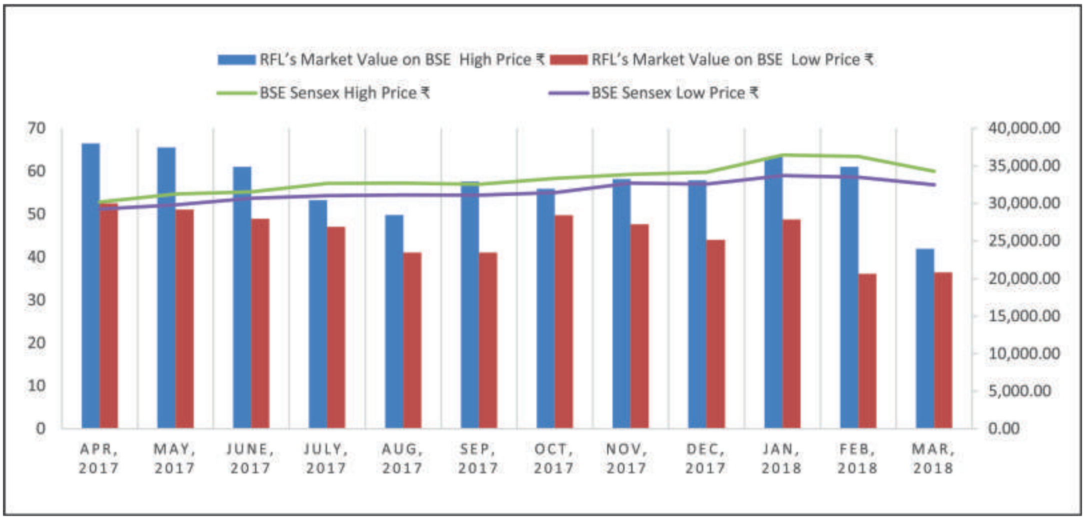
High/Low of market price of the Company's shares traded on BSE Limited during the year 2017 – 18 is furnished below:

Period	RFL's Market Value on BSE		BSE Sensex	
	High Price ₹	Low Price ₹	High Price ₹	Low Price ₹
April, 2017	66.50	52.50	30,184.22	29,241.48
May, 2017	65.55	51.05	31,255.28	29,804.12
June, 2017	61.05	48.90	31,522.87	30,680.66
July, 2017	53.25	47.00	32,672.66	31,017.11
August, 2017	49.80	41.00	32,686.48	31,128.02
September, 2017	57.60	41.00	32,524.11	31,081.83
October, 2017	55.90	49.70	33,340.17	31,440.48
November, 2017	58.15	47.65	33,865.95	32,683.59
December, 2017	57.90	44.00	34,137.97	32,565.16
January, 2018	63.30	48.75	36,443.98	33,703.37
February, 2018	61.00	36.15	36,256.83	33,482.81
March, 2018	41.90	36.50	34,278.63	32,483.84

(Source: www.bseindia.com)

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

Share Price Movement:



9. Distribution of shareholding as on March 31, 2018:

No. of shareholders	Percentage to total	Share Holding of Nominal Value of ₹	No. of Shares	Amount in ₹	Percentage to total
7594	94.35	Up to 5,000	1015048	10150480	9.28
230	2.86	5,001 to 10,000	198116	1981160	1.81
80	0.99	10,001 to 20,000	120433	1204330	1.10
42	0.52	20,001 to 30,000	104593	1045930	0.96
22	0.27	30,001 to 40,000	83510	835100	0.76
22	0.27	40,001 to 50,000	104490	1044900	0.95
24	0.30	50,001 to 1,00,000	200070	2000700	1.83
35	0.44	1,00,001 and above	9113140	91131400	83.31
8049	**100.00**	**TOTAL**	**10939400**	**109394000**	**100.00**

10. Shareholding Pattern as on March 31, 2018:

Sr. No.	Category	No. of shares	% of shareholding
A	**Promoters holding**		
1	Promoters		
	Indian Promoters	7903118	72.24
	Foreign Promoters	101500	0.93
	Sub Total	**8004618**	**73.17**
B	**Non-Promoter's Shareholding**		
1	Institutional Investors	-	-
(i)	Mutual Funds and UTI	-	-
(ii)	Banks, Financial Institutions, Insurance Companies	100	0.001
(iii)	FII's	-	-
	Sub Total	**100**	**0.001**

Sr. No.	Category	No. of shares	% of shareholding
2	Non-Institutional Investors		
(i)	Individuals	2199401	20.11
(ii)	Hindu Undivided Family	35444	0.32
(iii)	Non-Resident Indians	3301	0.03
(iv)	Bodies Corporate	155961	1.43
(v)	Investor Education and Protection Fund Authority	534300	4.88
(vi)	Others	6275	0.06
	Sub Total	**2934782**	**26.83**
	GRAND TOTAL (A+B)	**10939400**	**100.00**

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

Not applicable.

12. Plant Location:

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

13. Address for correspondence : Shareholder's Correspondence can be addressed to

Sr. No.	Particulars	Details
1	Link Intime India Private Limited	**Head Office :** C-13,Pannalal Silk Mills Compound, L.B.S. Marg Bhandup, Mumbai - 400078 Telephone No. : (022) 25963838 Fax No. : (022) 25946979
		Pune Office : Block No 202, 2nd Floor, Akshay Complex, Dhole Patil Road, Pune –411001 Telephone No. : (020) 26163503, 26161629 E-mail ID :pune@linkintime.co.in
2	Rajkumar Forge Limited The Company Secretary / Nodal Officer for IEPF Compliance	**Registered Office :** 29/1 Kharadi Village, Off Pune Nagar Road, Pune – 411 014 Telephone No. : (020) 67310700 /01 /02 Email :secretarial@rkforge.in, invest@rkforge.in

14. CEO / CFO Certification

A certificate by Mr. Nitin Rajore, Whole Time Director and Mr. Shubham Jindal, Chief Financial Officer, in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was placed before the Board at their meeting held on May 26, 2018.

15. Financial Calendar of the Company relating to future immediate reporting:

The financial year covers the period from April 01, 2018 to March 31, 2019.

Financial Reporting for:

Quarter / Year ended	Month of approval of Financial Statements
June 30, 2018	July / August, 2018
September 30, 2018	October / November, 2018
December 31, 2018	January / February, 2019
March 31, 2019	April / May, 2019

Declaration on Compliance with the Company's Code of Conduct

The Members of

Rajkumar Forge Limited

I, Nitin Rajore, Whole Time Director of Rajkumar Forge Limited, hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them for the year ended March 31, 2018.

For Rajkumar Forge Limited

Nitin Rajore
Whole Time Director
DIN : 01802633

Place : Pune

Date : July 21, 2018

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,

The Members,

Rajkumar Forge Limited,

We have examined the compliance of conditions of corporate governance by **Rajkumar Forge Limited** (hereinafter referred "the Company"), for the year ended on March 31, 2018 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

Gaurav Nashikkar

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

Date: July 21, 2018 **C.P. No. 13967**

INDEPENDENT AUDITOR'S REPORT

To,

The Members of **Rajkumar Forge Ltd.**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Rajkumar Forge Ltd. which comprise the

a) Ind AS Balance Sheet as at the **March 31, 2018;**
b) Ind AS Statement of Profit and Loss (including Other Comprehensive Income) for the year ended on that date;
c) Ind AS Statement of Cash Flows for the year ended on that date;
d) Statement of Changes in Equity for the year ended on that date, and;
e) Notes to the financial statements including a summary of significant accounting policies and other explanatory information.

Responsibility of the Management for the financial statements

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

This responsibility also includes

a) maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
b) selection and application of appropriate implementation and maintenance of accounting policies;
c) making judgments and estimates that are reasonable and prudent; and
d) design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility for the audit of the financial statements

Our responsibility is to express an opinion on these Ind As financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

a) in the case of the balance sheet, of the state of affairs of the Company as at **March 31, 2018.**
b) in the case of the statement of profit & loss, of the **profit** of the Company for the year ended on that date.
c) in the case of the cash flow statement, of the **cash flows** of the Company for the year ended on that date.
d) in the case of the statement of changes in equity, of the **changes in equity** of the Company for the year ended on that date.

Report on other legal and regulatory requirements

a) As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we enclose, on the basis of our opinion, our examination of the relevant records and according to the information and explanation given to us, in the "Annexure A" a statement on the matters specified in Paragraphs 3 and 4 of the Order.
b) As required by Section 143(3) of the Act, we report that
   i We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   ii In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
   iii The Ind AS Balance Sheet, the Ind AS Statement of Profit and Loss including the statement of Other Comprehensive Income, the Ind AS Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   iv In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015;
   v On the basis of the written representations received from the directors as on **March 31, 2018** taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2018** from being appointed as a director in terms of Section 164 (2) of the Act;
   vi With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B "; and
   vii With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      a) the Company does not have any pending litigations which would impact its financial position;
      b) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      c) there has been no delay on the part of the Company in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

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

S. M. Ghatpande
Partner
Membership No. 30462

Place: Pune
Date: May 26, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) **Fixed Assets**

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

(b) The management has physically verified all the fixed assets during the year, except for quantitative details of furniture & fixtures, which is under updation. No material discrepancies were noticed on such verification during the financial year under review. The frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of immovable properties owned by the Company are held in the name of the company.

(ii) **Inventories**

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

(iii) **Loans granted to related parties**

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

(iv) **Compliance with Section. 185 & Section. 186**

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

(v) **Deposits**

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

(vi) **Cost Records**

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

(vii) **Payment of statutory dues**

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

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

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

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

(viii) **Default in repayment of bank loan**

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

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

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

(x) **Fraud**

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

(xi) **Managerial remuneration**

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

(xii) **Nidhi Company**

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

(xiii) **Related party transactions & compliance with Section.177 & 188**

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

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

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

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

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

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

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

(xvi) **Compliance with Section.45IA of RBI Act**

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

For Gokhale, Tanksale & Ghatpande,
Firm Registration No: 103277W
Chartered Accountants
S. M. Ghatpande
Partner
Membership No. 30462

Place: Pune
Date: May 26, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Rajkumar Forge Ltd.** ("the Company") as of **March 31, 2018** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and its operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

(b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and may not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at **March 31, 2018**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S. M. Ghatpande
Partner
Membership No. 30462

Place: Pune
Date: May 26, 2018

IND AS Balance Sheet

Particulars	Note No.	As at Mar-31-2018	As at Mar-31-2017	As at Apr-01-2016
		₹	₹	₹
I ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	3	119,878,800	129,864,044	143,033,007
(b) Capital work-in-progress	4	55,507,921	53,601,702	53,736,964
(c) Intangible assets	5	337,309	377,447	417,585
(d) Financial assets				
(i) Loans and advances	6	3,356,130	3,364,530	4,074,842
(e) Other non-current assets	7	-	-	12,500,000
Total non-current assets		**179,080,160**	**187,207,723**	**213,762,398**
2 Current assets				
(a) Inventories	8	53,125,660	36,793,660	45,734,623
(b) Financial Assets				
(i) Trade receivables	9	79,938,582	27,080,582	29,721,133
(ii) Cash and cash equivalents	10	6,298,666	5,508,883	5,121,561
(iii) Short term Loans & advances	11	5,998,280	14,547,496	37,438,875
(c) Other current assets	12	3,745,885	3,098,786	2,676,526
Total current assets		**149,107,073**	**87,029,407**	**120,692,718**
Total Assets		**328,187,233**	**274,237,130**	**334,455,116**
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	13	109,394,000	109,394,000	109,394,000
(b) Other equity	14	91,518,991	87,889,745	124,908,768
Total equity		**200,912,991**	**197,283,745**	**234,302,768**
2 Liabilities				
A Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	2,250,000	9,000,000	-
(b) Provisions	16	4,778,605	5,035,924	6,340,364
(c) Deferred tax liabilities (Net)	17	1,775,799	(264,715)	4,523,553
(d) Other non-current liabilities	18	20,000	20,000	20,000
Total non-current liabilities		**8,824,404**	**13,791,209**	**10,883,917**
B Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	38,746,074	22,030,168	65,981,347
(ii) Trade payables	20	56,393,342	20,396,654	8,240,710
(iii) Other financial liabilities (other than those specified in item (ii))	21	9,444,202	8,138,049	8,529,076
(b) Other current liabilities	22	13,465,733	12,279,151	4,651,966
(c) Provisions	23	400,486	318,154	1,865,332
Total current liabilities		**118,449,837**	**63,162,176**	**89,268,431**
Total liabilities		**127,274,242**	**76,953,385**	**100,152,348**
Total equity and liabilities		**328,187,233**	**274,237,130**	**334,455,116**
Contingent Liabilities not provided for:	24	**29,688,738**	**23,103,072**	**22,103,716**
Corporate information & statement of accounting policies	1-2			

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

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

For & on behalf of the Board of Directors

Arun Jindal
Chairman
DIN: 00121523

Nitin Rajore
Whole-time Director
DIN: 01802633

S. M. Ghatpande
Partner
Membership No. 30462

Shubham Jindal
Chief Financial Officer

Shruti Patil
Company Secretary
Membership No. A40609

Place: Pune
Date : May 26, 2018

Place: Pune
Date : May 26, 2018

IND AS Statement of Profit and Loss

	Particulars	Note No.	Year Ended Mar-31-2018	Year Ended Mar-31-2017
			₹	₹
I	**INCOMES**			
	(i) Revenue from operations	25	291,730,048	60,159,609
	(ii) Other income	26	1,495,821	3,596,256
	Total Income		**293,225,869**	**63,755,865**
II	**EXPENSES**			
	(i) Cost of Material Consumed	27	157,177,991	18,836,515
	(ii) Changes in inventories of finished goods, stock-in -trade and work-in progress	28	(9,893,388)	(2,198,848)
	(iii) Manufacturing Expense	29	76,911,974	23,706,073
	(iv) Employee benefits expenses	30	31,736,662	25,423,381
	(v) Office & administration expenses	31	8,910,674	7,668,275
	(vi) Selling expenses	32	328,381	10,653,162
	(vii) Finance costs	33	9,417,528	8,168,798
	(viii) Depreciation and amortization expense	34	11,631,586	13,292,441
	(ix) Other expenses	35	-	13,358
	Total expenses		**286,221,408**	**105,563,155**
III	Profit/(loss) before exceptional items and tax		7,004,461	(41,807,290)
IV	Exceptional Items		-	-
V	Profit/(loss) before tax		7,004,461	(41,807,290)
VI	Tax expense:			
	(i) Current tax		(1,334,700)	-
	(ii) Deferred tax		(2,040,514)	4,788,267
VII	Profit (Loss) for the period from continuing operations		3,629,246	(37,019,023)
VIII	Profit/(loss) from discontinued operations		-	-
IX	Tax expense of discontinued operations		-	-
X	Profit/(loss) from discontinued operations (after tax)		-	-
XI	Profit/(loss) for the period		**3,629,246**	**(37,019,023)**
XII	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XIII	Total comprehensive income for the period (comprising profit/(loss) and other comprehensive income for the period)		3,629,246	(37,019,023)
XIV	Earnings per equity share (for continuing operation):	36		
	(i) Basic		0.33	(3.38)
	(ii) Diluted		0.33	(3.38)
XV	Earnings per equity share (for discontinued operation):			
	(i) Basic		-	-
	(ii) Diluted		-	-
XVI	Earnings per equity share (for discontinued & continuing operations)			
	(i) Basic		0.33	(3.38)
	(ii) Diluted		0.33	(3.38)
	Corporate information & statement of accounting policies			

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

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

For & on behalf of the Board of Directors

Arun Jindal
Chairman
DIN: 00121523

Nitin Rajore
Whole-time Director
DIN: 01802633

S. M. Ghatpande
Partner
Membership No. 30462

Shubham Jindal
Chief Financial Officer

Shruti Patil
Company Secretary
Membership No. A40609

Place: Pune
Date : May 26, 2018

Place: Pune
Date : May 26, 2018

Statement of Cash Flow

Particulars	Year Ended Mar-31-2018 ₹	Year Ended Mar-31-2017 ₹
Cash flow from operating activities		
Profit before exceptional items & tax	7,004,461	(41,807,290)
Adjustments for		
Depreciation and amortisation expenses	11,631,586	13,292,441
(Profit) / Loss on disposal of PPE	-	13,358
Interest income	(120,933)	(459,125)
Interest expense	6,882,321	7,375,005
Cash generated from operations before working capital changes	**25,397,435**	**(21,585,611)**
Adjustments for		
(Increase) / decrease in non-current loans (security deposits & others)	8,400	710,312
(Increase) / decrease in other non-current assets	-	12,500,000
(Increase) / decrease in trade receivables	(52,858,000)	2,640,551
(Increase) / decrease in inventories	(16,332,000)	8,940,963
(Increase) / decrease in short term loans & advances	8,549,216	22,891,379
Increase / (decrease) in non-current provisions	(174,987)	(2,851,618)
Increase in other current financial liabilities	1,306,153	(391,027)
Increase / (decrease) in trade payables	35,996,688	12,155,944
Increase / (decrease) in other current liabilities	1,186,582	7,627,185
Cash generated from operations	**3,079,488**	**42,638,078**
Income taxes paid (net of refunds)	(1,981,799)	(422,260)
Cash flow before exceptional items	**1,097,689**	**42,215,818**
Exceptional items	-	-
Net cash (used in) / generated from operating activities - A	**1,097,689**	**42,215,818**
Cash flow from investing activities		
Purchase of PPE	(1,606,204)	(109,914)
Increase in capital WIP	(1,906,219)	135,262
Sale proceeds of PPE	-	13,216
Interest income	120,933	459,125
Cash flow before exceptional items	(3,391,490)	497,689
Exceptional items	-	-
Net cash (used in) / generated from investing activities - B	**(3,391,490)**	**497,689**
Cash flow from financing activities		
Increase / (decrease) in non-current borrowings	(6,750,000)	9,000,000
Interest expense	(6,882,321)	(7,375,005)
Net cash (used in) / generated from financing activities - C	**(13,632,321)**	**1,624,995**
Net increase / (decrease) in cash & cash equivalents - A+B+C	**(15,926,122)**	**44,338,502**
Add: Cash & cash equivalents at the beginning of the year	**(16,521,284)**	**(60,859,786)**
Cash & cash equivalents at the end of the year	**(32,447,406)**	**(16,521,284)**
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	6,298,666	5,508,883
Bank overdrafts	(38,746,074)	(22,030,168)
Balances per statement of cash flows	**(32,447,407)**	**(16,521,285)**

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

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

For & on behalf of the Board of Directors

Arun Jindal
Chairman
DIN: 00121523

Nitin Rajore
Whole-time Director
DIN: 01802633

S. M. Ghatpande
Partner
Membership No. 30462

Shubham Jindal
Chief Financial Officer

Shruti Patil
Company Secretary
Membership No. A40609

Place: Pune
Date : May 26, 2018

Place: Pune
Date : May 26, 2018

Statement of Changes in Equity

	Particulars	Year Ended Mar-31-2018 ₹	Year Ended Mar-31-2017 ₹	Year Ended Apr-01-2016 ₹
A.	**Equity share capital**			
	Balance at the beginning of the reporting period	109,394,000	109,394,000	109,394,000
	Changes in equity share capital during the year	-	-	-
	Balance at the end of the reporting period	**109,394,000**	**109,394,000**	**109,394,000**
B.	**Other equity**			
	Capital Redemption Reserve			
	Balance at the beginning of the reporting period	5,000,000	5,000,000	5,000,000
	Changes in accounting policy or prior period errors	-	-	-
	Restated balance at the beginning of the reporting period	5,000,000	5,000,000	5,000,000
	Profit for the period	-	-	-
	Other comprehensive Income for the year	-	-	-
	Balance at the end of the reporting period	**5,000,000**	**5,000,000**	**5,000,000**
	Capital Reserve: State Capital Subsidy			
	Balance at the beginning of the reporting period	3,000,000	3,000,000	3,000,000
	Changes in accounting policy or prior period errors	-	-	-
	Restated balance at the beginning of the reporting period	3,000,000	3,000,000	3,000,000
	Profit for the period	-	-	-
	Other comprehensive Income for the year	-	-	-
	Balance at the end of the reporting period	**3,000,000**	**3,000,000**	**3,000,000**
	General Reserve			
	Balance at the beginning of the reporting period	16,099,846	16,099,846	16,099,846
	Changes in accounting policy or prior period errors	-	-	-
	Restated balance at the beginning of the reporting period	16,099,846	16,099,846	16,099,846
	Profit for the period	-	-	-
	Other comprehensive Income for the year	-	-	-
	Balance at the end of the reporting period	**16,099,846**	**16,099,846**	**16,099,846**
	Retained earnings			
	Balance at the beginning of the reporting period	63,789,899	100,808,922	112,012,358
	Changes in accounting policy or prior period errors	-	-	-
	Restated balance at the beginning of the reporting period	63,789,899	100,808,922	112,012,358
	Profit for the period	3,629,246	(37,019,023)	(11,203,436)
	Other comprehensive Income for the year	-	-	-
	Balance at the end of the reporting period	**67,419,145**	**63,789,899**	**100,808,922**
	Total other equity			
	Balance at the beginning of the reporting period	87,889,745	124,908,768	136,112,204
	Changes in accounting policy or prior period errors	-	-	-
	Restated balance at the beginning of the reporting period	87,889,745	124,908,768	136,112,204
	Profit for the period	3,629,246	(37,019,023)	(11,203,436)
	Other comprehensive Income for the year	-	-	-
	Balance at the end of the reporting period	**91,518,991**	**87,889,745**	**124,908,768**

Statement of Changes in Equity for the period ended

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

a Share application money pending allotment.

b Equity component of compound financial instruments.

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

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

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

f Remeasurements of defined benefit obligations.

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

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

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

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

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

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

m Other items of other comprehensive income.

n Money received against share warrants.

Corporate information & statement of accounting policies

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

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

S. M. Ghatpande
Partner
Membership No. 30462

Place: Pune
Date : May 26, 2018

For & on behalf of the Board of Directors

Arun Jindal
Chairman
DIN: 00121523

Nitin Rajore
Whole-time Director
DIN: 01802633

Shubham Jindal
Chief Financial Officer

Shruti Patil
Company Secretary
Membership No. A40609

Place: Pune
Date : May 26, 2018

Notes to the Ind AS Financial Statements

1 **Corporate information**

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

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

The financial statements were authorised for issue in accordance with a resolution of the directors on **May 26, 2018.** All press releases, financial reports and other information are available at our investor relations section on the Company's website**: www.rkforging.com**

2 **Basis of preparation and compliance with Ind AS**

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

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

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

iv **Date of adoption of Ind AS:** The equity shares of Rajkumar Forge Ltd. are listed on recognized stock exchanges in India and the net worth of the Company as per the audited balance sheet as at March 31, 2014 & as at March 31, 2015 was less than ₹ 500 crores. Hence as per Rule 4(1)(iii)(a) of the Companies (Indian Accounting Standards) Rules, 2015, the Company shall comply with the Indian Accounting Standards (Ind AS) for the accounting periods beginning on **April 1, 2017**, with the comparatives for the periods ending on **March 31, 2018.** Hence, the date of adoption of IND AS for the Company is **April 1, 2017.**

v **Date of transition to Ind AS:** Since the date of adoption of Ind AS is **April 1, 2017**, the date of transition to Ind AS is **April 1, 2016**. Hence, the notes to the First Ind AS compliant Financial Statements must include -

a Reconciliation of the IGAAP compliant Balance Sheet as at **March 31, 2016** with the Ind AS compliant Balance Sheet as at **April 1, 2016;**

b Reconciliation of the IGAAP compliant Balance Sheet as at **March 31, 2017** with the Ind AS compliant Balance Sheet as at **March 31, 2017;**

c Reconciliation of the IGAAP compliant P/L Statement for **FY 2016-17** with the Ind AS compliant P/L Statement for **FY 2016-17.**

vi For the financial years ended **March 31, 2018.** and **March 31, 2017**, the Company prepared its financial statements in accordance with the accounting standards notified u/s 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These IGAAP financial statements were approved by the Board of Directors of the Company on **May 13, 2016** and **May 29, 2017** respectively. The Ind AS financial statements of the Company for the year ended **March 31, 2018.** are the first financial statements the Company has to prepare in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

vii Accordingly, the Company has prepared financial statements which comply in all material respects with the relevant provisions of the Act and with the Ind AS applicable for periods ending on **March 31, 2018**, together with the comparative period data as at and for the year ended **March 31, 2017.** In preparing these financial statements, the Company's opening balance sheet has been prepared as at **April 1, 2016** which is the Company's date of transition to Ind AS.

viii The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. **April 1, 2016**. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind ASs as at **March 31, 2017** and **April 1, 2016** and of the Profit/ (Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended **March 31, 2017**.

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

x **Ind AS Financial Statements for FY 2017-18:** Ind AS 101 requires that an entity's first Ind AS financial statements shall include at least three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented. Accordingly, the first Ind AS financial statements of the Company will be as follows:

a Balance sheet as at **March 31, 2018;**

b Balance sheet as at **March 31, 2017;**

c Balance sheet as at **April 1, 2016;**

d Profit and Loss Statement for the year ended **March 31, 2018;**

e Profit and Loss Statement for the year ended **March 31, 2017;**

f Cash Flow Statement for the year ended **March 31, 2018;**

g Cash Flow Statement for the year ended **March 31, 2017;**

h Statement of changes in equity for the year ended **March 31, 2018;**

i Statement of changes in equity for the year ended **March 31, 2017;**

j Statement of changes in equity as at **April 1, 2016;**

k Notes to Financial Statements.

2 **Significant accounting policies**

2.01 **Ind ASs which are not applicable to the Company:**

i **Ind AS 11 - Construction Contracts**: This Ind AS is not applicable since the Company is engaged in the business of manufacturing and selling steel open die and close die forgings in both domestic and international markets and not in execution of construction contracts.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.02 **Ind AS 1 - Presentation of Financial Statements:**

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

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

b a statement of profit and loss for the period;

c a statement of changes in equity for the period;

d a statement of cash flow for the period;

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

f comparative information in respect of the preceding period; and

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

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

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

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

iii As required by Ind AS 101 the Company has used the same accounting policies in its opening Ind AS balance sheet and throughout all periods presented in its first Ind AS financial statements (the first annual financial statements in which an entity adopts Ind AS by an explicit and unreserved statement of compliance with Ind AS). Those accounting policies comply with each Ind AS effective at the end of its first Ind AS reporting period, except as specified in Ind AS 101 (e.g., when the exceptions in Ind AS 101 prohibit retrospective application or the Company avails itself of one of Ind AS 101's voluntary exemptions). The Company does not apply different versions of Ind AS that were effective at earlier dates. The Company may apply a new Ind AS that is not yet mandatory if that Ind AS permits early application.

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

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

b An asset is treated as current when it is:

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

► Held primarily for the purpose of trading;

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

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

c All other assets are classified as non-current.

d A liability is treated as current when:

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

► It is held primarily for the purpose of trading;

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

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

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

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

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

2.03 **Ind AS 101 - First time Adoption of Indian Accounting Standards**

Ind AS 101 requires an entity to explain how an entity transitioned from Indian GAAP to Ind AS and how the transition is reported in the balance sheet, statement of profit and loss and cash flows which are prepared in accordance with Ind ASs. The principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at **April 1, 2016** and the financial statements as at and for the year ended **March 31, 2017** are stated in **Notes 41, 42 & 43.**

Ind AS 101 also requires that the carrying amount of goodwill as per Indian GAAP must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). **The Company's assets do not include any goodwill.**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has considered the issues arising out of the following exemptions in preparing its first Ind AS compliant financial statements:

i **Accounting for share-based payment transactions of issue of equity instruments (Paras D2 & D3 of Ind AS 101):** Ind AS 102 requires disclosure of the fair value of equity instruments at the measurement date and accounting for liabilities arising from such transactions. Paras D2 & D3 permit the Company not to make such disclosures in respect of share-based transactions that were settled before the date of transition to Ind ASs. **The Company has not entered into share-based transactions in the past.**

ii **Insurance contracts (Para D4 of Ind AS 101)**: Ind AS 104 applies to contracts of insurance. **The Company does not issue insurance contracts.**

iii **Deemed cost (Para D5 to D8B of Ind AS 101):** Ind AS 16 & 38 require the Company to carry items of property, plant & equipment (PPE) and intangible assets at fair value, if the Company has opted for the revaluation model for measurement of the carrying value of PPE & intangible assets. However, Para D5 to D8B permit treatment of carrying value as per past revaluation as deemed cost of PPE and intangible assets on the date of transition to Ind ASs. **The Company has not revalued its PPE or intangible assets in the past and has opted for the cost model for measurement of the carrying value of PPE & intangible assets.**

As required by Ind AS 101, the Company has determined whether impairment indicators or indicator of reversal of any prior impairment exist for items of PPE or intangible assets with definite or indefinite life. Consequently, the Company has performed impairment tests and determined the recoverable amount and impairment or impairment reversals.

iv **Leases (Para D9 & D9AA)**: Ind AS 17 requires the Company to determine whether an arrangement is, or contains, a lease, particularly when a lease includes both land and building elements. Para D9 & 9AA permit such determination with effect from the date of transition to Ind ASs. **The Company has not entered into leases which require such determination.**

v **Cumulative translation differences (Para D12 & D13 of Ind AS 101)**: Ind AS 21 requires the Company to recognize some translation differences in other comprehensive income and accumulate these in a separate component of equity. However, Para D12 & D13 exempt the Company from compliance with these requirements for cumulative translation differences that existed at the date of transition to Ind ASs. **The Company has availed of this exemption.**

vi **Investment in subsidiaries, joint ventures & associates (Para D14 & D15 of Ind AS 101)**: Ind AS 27 requires the Company to account, in its separate financial statements, for its investment in subsidiaries, joint ventures & associates at cost or in accordance with Ind AS 109. If the Company opts for measurement of the carrying value of such investments at cost in accordance with Ind AS 27, Para D14 & D15 permit the carrying value of such investments in the separate opening Ind AS Balance Sheet to be the cost determined as per Ind AS 27 or the deemed cost. The deemed cost is the fair value at the date of transition to Ind ASs or the carrying value as per Indian GAAP at the date of transition. **The Company does not have investment in subsidiaries, joint ventures & associates.**

vii **Compound financial instruments (Para D18 of Ind AS 101):** Ind AS 32 requires the Company to split a compound financial instrument at inception into separate liability and equity components. If the liability component is no longer outstanding, retrospective application of Ind AS 32 involves separating two portions of equity. The first portion is in retained earnings and represents the cumulative interest accreted on the liability component. The other portion represents the original equity component. However, Para D 18, the Company is exempted from separating these two portions if the liability component is no longer outstanding at the date of transition to Ind ASs. **The Company has not issued compound financial instruments in the form of convertible debentures or preference shares.**

viii **Designation of previously recognized financial instruments (Para D19-19C of Ind AS 101):** Ind AS 109 requires a financial liability (provided it meets certain criteria) to be designated as a financial liability through profit or loss. However, Para D19 permits the Company to designate at the date of transition to Ind ASs any financial liability through profit or loss provided the liability meets the criteria in para 4.2.2 of Ind AS 109 at that date. **The Company has not designated any previously recognised financial instruments as financial liability through profit or loss.**

ix **Fair value measurement of financial assets or financial liabilities at initial recognition (Para D20 of Ind AS 101):** Ind AS 101.7 requires the Company to use the same accounting policies in its opening Ind AS Balance Sheet and throughout all periods presented in its first Ind AS financial statements. However, Para D 20 permits the Company to apply the requirements of fair value determination as per Para B5.1.2A(b) prospectively to transactions entered into on or after the date of transition to Ind ASs. **The Company does not have financial assets or liabilities measured at fair value.**

x **Decommissioning liabilities included in the cost of property, plant & equipment (Para D21 & 21A of Ind AS 101):** Appendix A to Ind AS 16 requires the Company to make specified changes in a decommissioning, restoration or similar liability and add or deduct it from the cost of the asset to which it relates and to depreciate the adjusted amount of the asset prospectively over its remaining useful life. However, Para D21 & 21A exempt the Company from compliance with these requirements for changes in these liabilities that occurred before the date of transition to Ind ASs. **The Company does not have any obligation to dismantle, remove and restore items of property, plant & equipment.**

xi **Service concession arrangements referred to in Appendix C of Ind AS 115 (Para D22 of Ind AS 101):** Appendix A to Ind AS 11 applies to service concession arrangements in infrastructure for public services traditionally constructed, operated and maintained by the public sector and financed through public budget appropriation. **The Company has not entered into any such service concession arrangements.**

xii **Borrowing costs (Para D23 of Ind AS 101):** Ind AS 23 requires the Company to capitalize certain borrowing costs. However, Para D 23 permits the Company not to capitalize the borrowing costs incurred before the date of transition to Ind ASs. **The Company has always followed AS 16 and hence the exemption under Ind AS 23 is not relevant.**

xiii **Extinguishing financial liabilities with equity instruments (Para D25 of Ind AS 101):** Appendix E of Ind AS 109 deals with extinguishing financial liabilities with equity instruments. Para D 25 permits the Company to apply Appendix E from the date of transition to Ind ASs. **The Company has no obligations to extinguish financial liabilities with equity instruments.**

xiv **Severe hyperinflation (Paras D26 to D30 of Ind AS 101):** Ind AS 29 deals with translation of financial statements in which the functional currency is the currency of a hyperinflationary economy. **The functional currency for the financial statements of the Company is INR which is not the currency of a hyperinflationary economy.**

xv **Joint arrangements (Paras D31 to D31AL of Ind AS 101):** Ind AS 111 deals with transition for proportionate consolidation to equity method in the case of joint ventures and transition from the equity method to proportionate consolidation in the case of joint operations. **The Company does not have joint arrangements in the form of joint ventures or joint operations.**

xvi **Stripping costs in the production phase of a surface mine (Para D 32 of Ind AS 101):** Appendix B of Ind AS 16 deals with stripping costs in the production phase of a surface mine. Para D32 permits the Company to apply Appendix B from the date of transition to Ind ASs**. The Company does not own or operate any mines.**

xvii **Designation of contracts to buy or sell a non-financial item as measured through profit or loss (Para D33 of Ind AS 101):** Ind AS 109 permits the Company to designate at inception some contracts to buy or sell non-financial items as measured through profit or loss. However, Para D33 permits the Company to so designate, at the date of transition to Ind ASs contracts that already exist on that date, if they meet the requirements of Para 2.5 of Ind AS 109 at that date. **The Company has not entered into any such contract before the date of transition to Ind ASs.**

xviii **Revenue from contracts with customers (Para D34-35 of Ind AS 101):** Para D34-35 of IFRS 101 refer to Ind AS 115 (not yet notified) which deals with recognition of revenue from contracts with customers.

xix **Non-current assets held for sale and discontinued operations (Para D 35AA of Ind AS 101):** Ind AS 105 requires the Company to classify separately non-current assets held for sale or distribution to owners or for discontinued operations and carry them at the lower of the carrying cost and fair value less costs to sell at the date of classification. Para D35AA permits the Company to value such assets at the lower of the carrying cost and fair value less costs to sell at the date of transition to Ind ASs. **The Company does not hold any non-current assets for sale and discontinued operations.**

xx **Business combinations and goodwill (Ind AS 101 Appendix C): The Company has elected to apply Ind AS 103 - Accounting for Business Combinations prospectively from April 1, 2015.** As such, the Indian GAAP carrying amounts of assets and liabilities acquired in business combinations, that are required to be recognised under Ind AS 103, is their deemed cost at the date of the acquisition. These balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures.

The Company has recognised all assets acquired and liabilities assumed in past business combinations. **The Company did not derecognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.**

As a first-time adopter, the Company has used the exemption in Ind AS 101 from having to apply Ind AS 103 retrospectively. As required by Ind AS 101, the Company has tested goodwill for impairment in accordance with Ind AS 36 at the date of transition to Ind AS (Ind AS 101.C4(g)(ii)). The goodwill impairment test and the recognition of any additional impairment is based on conditions existing at the date of transition to Ind AS. However, the Company has not made any further adjustments to the carrying amount of goodwill at the date of transition to Ind AS, except for the adjustments in Ind AS 101.C4(g) related to the goodwill impairment test or certain reclassifications of intangible assets. **Accordingly, the Company has not reversed any previous GAAP goodwill impairment.**

Ind AS 103 provides a very specific definition of a business combination. Therefore, it is possible that under Indian GAAP, transactions that are not business combinations (e.g., asset acquisitions) may have been accounted for as if they were business combinations. A first-time adopter will need to restate any transactions that it accounted for as a business combination under Indian GAAP, but which are not business combinations under Ind AS. **However, the Company has not entered into any such transactions which require restatement.**

2.04 **Ind AS 2 - Inventories**

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

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

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

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

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

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

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

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

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

i Ind AS 7.18 allows entities to report cash flows from operating activities using either direct method or indirect method. The regulation 34(2)(c) of Chapter IV of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements)

Regulations, 2015, requires listed companies to present cash flow from operating activities only under indirect method. The Company presents its cash flows using indirect method as set out in Ind AS -7 whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

ii Certain working capital adjustments and other adjustments included in the accompanying statement of cash flows reflect the change in balances between **March 31, 2017** and **March 31, 2016.**

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

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

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

2.07 **Ind AS 10 - Events after Reporting period**

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

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

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

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

2.08 **Ind AS 12 - Income taxes**

i Tax expense comprises current and deferred tax.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

i Under the previous GAAP (Indian GAAP), PPE were carried in the balance sheet at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., **April 1, 2016**. **In exercise of the option vested in the Company as per Para 29 of Ind AS 16, the Company has chosen the cost model as per Para 30 of Ind AS 16 for all items of PPE. Accordingly, the Company has not revalued the PPE at April 1, 2016.**

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

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

iv The initial cost of PPE comprises;

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

b attributable borrowing cost if capitalization criteria are met;

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

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

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

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

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

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

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

viii Depreciation:

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

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

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

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

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

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

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

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

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

2.10 **Ind AS 17 - Leases**

i The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to **April 1, 2016**, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

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

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

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

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

vi Where the Company is the lessee,

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

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

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

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

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

vi Where the Company is the lessor,

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

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

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

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

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

2.11 **Ind AS 18 - Revenue**

i Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

ii Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment such as discounts and volume rebates and excluding taxes or duties collected on behalf of the Government such as VAT / Service Tax / GST.

iii The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

iv The specific recognition criteria described below must also be met before revenue is recognised:

a Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

b Export benefits are accounted on accrual basis on recognition of export sales.

c Revenue in the form of interest on moneys advanced by the Company is recognized only if recovery of both the interest and principal is certain or if required by the provisions of Section 186(7) of the Companies Act, 2013.

d Revenue in the form of dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

e Rental income arising from operating leases on investment properties is **not** accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature because the Company has determined that it does not meet criteria for recognition of lease rental income on straight-line basis i.e.-

- ► Another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished, even if the payments to the lessors are not on that basis, or
- ► The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

f Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

g **Plant and equipment received from customers**: A corresponding credit to deferred revenue is made. The Company may agree to deliver one or more services in exchange for the transferred item of property, plant and equipment, such as connecting the customer to a network, providing the customer with ongoing access to a supply of goods or services, or both. The Company identifies the separately identifiable services included in the agreement.

- ► If only one service is identified, the Company recognises revenue when the service is performed.
- ► If an ongoing service is identified as part of the agreement, the period over which revenue is recognised for that service is generally determined by the terms of the agreement with the customer. If the agreement does not specify a period, the revenue is recognised over a period no longer than the useful life of the transferred asset used to provide the ongoing service.
- ► If more than one separately identifiable service is identified, the fair value of the total consideration received or receivable for the agreement will be allocated to each service and the recognition criteria of Ind AS 18 are then applied to each service.

However, during the year under review, the Company has not received any plant & equipment from its customers.

v In the case of composite contracts, the fair consideration attributable to each component of the contract is identified and recorded as revenue. **However, the Company has not entered into composite contracts during the year under review**.

2.12 **Ind AS 19 - Employee Benefits**

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

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

Short-term employee benefits

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

Compensated absences:

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

Post-employment benefits

Defined contribution plan

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

vi **Contribution to Provident Fund:** Retirement benefit in the form of provident fund is a defined contribution scheme.

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

Defined benefit plans

vii **Gratuity**: The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund managed by the Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. **Presently the Company's gratuity plan is unfunded.**

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

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

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

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

► The date of the plan amendment or curtailment; and

► The date that the Company recognises related restructuring costs

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

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

► Net interest expense or income.

Termination benefits

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

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

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

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

2.13 **Ind AS 20 - Government grants**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.15 **Ind AS 23 - Borrowing Costs**

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

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

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

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

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

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

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

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

Financial assets

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

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

a ► Debt instruments at amortised cost;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company has not derecognized any financial asset.

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

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

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

► Lease receivables under Ind AS 17;

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

► Loan commitments which are not measured as at FVTPL;

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

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

► Trade receivables or contract revenue receivables; and

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

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

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

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

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

► All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

► Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms;

► Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount;

► Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability;

► Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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

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

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

xi **Embedded derivatives**

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

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

The Company's financial instruments are not derivative instruments.

Financial liabilities – Recognition and measurement

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

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

b ► loans and borrowings,

c ► payables,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

xviii **The Company has not reclassified any financial instrument.**

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

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

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

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

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

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

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

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

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

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

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

i **Fair value hedges**

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

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

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

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

ii **Cash flow hedges**

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

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

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

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

iii **Hedges of a net investment**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

iii Provisions are recognised when,

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

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

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

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

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

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

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

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

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

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

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

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

2.23 **Ind AS 38 - Intangible Asset**

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

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

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

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

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

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

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

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

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

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

2.24 **Ind AS 38 - Research and development costs**

i Research costs are expensed as incurred.

ii Revenue expenditure towards development is charged to the statement of profit and loss in the year it is incurred.

iii Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- ► The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- ► Its intention to complete and its ability and intention to use or sell the asset;
- ► How the asset will generate future economic benefits;
- ► The availability of resources to complete the asset;
- ► The ability to measure reliably the expenditure during development.

iv During the period of development, the asset is tested for impairment annually.

v Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses.

vi Amortisation of the asset begins when development is complete and the asset is available for use.

vii It is amortised over the period of expected future benefit.

viii Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

2.25 **Ind AS 38 - Patents and licenses**

i The Company makes upfront payments to purchase patents and licenses. The patents are granted for a certain period by the relevant government agency with the option of renewal at the end of this period.

ii Licenses for the use of intellectual property are granted for certain periods depending on the specific licenses. The licenses may be renewed at little or no cost to the Company. As a result, those licenses are assessed as having an indefinite useful life.

iii A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Licenses	Indefinite	No amortisation	Acquired
Patents	Finite	Amortised on a straight-line basis over the period of the patent	Acquired
Development costs	Finite	Amortised on a straight-line basis over the period of expected future sales from the related project	Internally generated

2.26 **Ind As 108 - Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue are accounted for based on the cost price. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

2.27 **Ind AS 113 - Fair Value Measurement**

i The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

ii Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

iii The principal or the most advantageous market must be accessible by the Company.

iv The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

v A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

vi The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

vii All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

viii For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

ix The Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

x External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

xi At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

xiii The Valuation Committee, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

xiii On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

xiv For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

xv This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions;
- Contingent consideration;
- Quantitative disclosures of fair value measurement hierarchy;
- Investment in unquoted equity shares (discontinued operations);
- Property, plant and equipment under revaluation model;
- Investment properties;
- Financial instruments (including those carried at amortised cost);
- Non-cash distribution.

xvi **The Company has not elected to apply the portfolio exception under Ind AS 113.48. If an entity makes an accounting policy decision to use the exception, this fact is required to be disclosed, as per Ind AS 113.96.**

3. Property, Plant and Equipment

Particulars	Cost at the beginning of the year	Additions during the year	Disposals during the year	Cost at the end of the year	Depreciation at the beginning of the year	Depreciation during the year	Depreciation on disposals during the year	Depreciation at the end of the year	WDV at the beginning of the year	WDV at the end of the year
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Freehold Land										
FY 2017-18	1,370,978	-	-	*1,370,978*	-	-	-	-	*1,370,978*	*1,370,978*
FY 2016-17	1,370,978	-	-	*1,370,978*	-	-	-	-	*1,370,978*	*1,370,978*
FY 2015-16	1,370,978	-	-	*1,370,978*	-	-	-	-	*1,370,978*	*1,370,978*
Buildings										
FY 2017-18	48,526,018	-	-	*48,526,018*	19,658,470	905,871	-	*20,564,341*	*28,867,548*	*27,961,677*
FY 2016-17	48,526,018	-	-	*48,526,018*	16,996,970	2,661,500	-	*19,658,470*	*31,529,048*	*28,867,548*
FY 2015-16	48,526,018	-	-	*48,526,018*	*14,306,238*	*2,690,732*	-	*16,996,970*	*34,219,780*	*31,529,048*
Plant & Machinery										
FY 2017-18	272,984,875	1,606,204	-	*274,591,079*	176,541,728	9,505,953	-	*186,047,681*	*96,443,147*	*88,543,398*
FY 2016-17	272,917,294	109,914	(42,333)	*272,984,875*	167,169,342	9,388,145	(15,759)	*176,541,728*	*105,747,952*	*96,443,147*
FY 2015-16	*263,121,576*	*9,795,718*	-	*272,917,294*	*159,003,989*	*8,165,353*	-	*167,169,342*	*104,117,587*	*105,747,952*
Furniture & fixtures										
FY 2017-18	4,984,023	-	-	*4,984,023*	3,663,593	548,138	-	*4,211,731*	*1,320,430*	*772,292*
FY 2016-17	4,984,023	-	-	*4,984,023*	3,092,421	571,172	-	*3,663,593*	*1,891,602*	*1,320,430*
FY 2015-16	*4,984,023*	-	-	*4,984,023*	*2,518,943*	*573,478*	-	*3,092,421*	*2,465,080*	*1,891,602*
Vehicles										
FY 2017-18	4,885,960	-	-	*4,885,960*	3,024,019	631,486	-	*3,655,505*	*1,861,941*	*1,230,455*
FY 2016-17	4,885,960	-	-	*4,885,960*	2,392,533	631,486	-	*3,024,019*	*2,493,427*	*1,861,941*
FY 2015-16	*6,479,973*	-	*(1,594,013)*	*4,885,960*	*3,074,762*	*631,001*	*(1,313,230)*	*2,392,533*	*3,405,211*	*2,493,427*
Total tangible assets										
FY 2017-18	***332,751,854***	***1,606,204***	**-**	***334,358,058***	***202,887,810***	***11,591,448***	**-**	***214,479,258***	***129,864,044***	***119,878,800***
FY 2016-17	***332,684,273***	***109,914***	***(42,333)***	***332,751,854***	***189,651,266***	***13,252,303***	***(15,759)***	***202,887,810***	***143,033,007***	***129,864,044***
FY 2015-16	***324,482,568***	***9,795,718***	***(1,594,013)***	***332,684,273***	***178,903,932***	***12,060,564***	***(1,313,230)***	***189,651,266***	***145,578,636***	***143,033,007***

4 Capital work-in-progress

Particulars	Cost at the beginning of the year	Additions during the year	Disposals during the year	Cost at the end of the year	Depreciation at the beginning of the year	Depreciation during the year	Depreciation on disposals during the year	Depreciation at the end of the year	WDV at the beginning of the year	WDV at the end of the year
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
FY 2017-18	53,601,702	1,906,219	-	55,507,921	-	-	-	-	53,601,702	55,507,921
FY 2016-17	53,736,964	-	(135,262)	53,601,702	-	-	-	-	53,736,964	53,601,702
FY 2015-16	49,131,046	4,605,918	-	53,736,964	-	-	-	-	49,131,046	53,736,964

5 Intangible assets

Particulars	Cost at the beginning of the year	Additions during the year	Disposals during the year	Cost at the end of the year	Depreciation at the beginning of the year	Depreciation during the year	Depreciation on disposals during the year	Depreciation at the end of the year	WDV at the beginning of the year	WDV at the end of the year
Computer software	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
FY 2017-18	1,294,572	-	-	1,294,572	917,125	40,138	-	957,263	377,447	337,309
FY 2016-17	1,294,572	-	-	1,294,572	876,987	40,138	-	917,125	417,585	377,447
FY 2015-16	1,294,572	-	-	1,294,572	836,849	40,138	-	876,987	457,723	417,585

Notes

5.1 The Company has not, during all the years, acquired any intangible assets under a financial lease.

5.2 The Company has not, during all the years, acquired any intangible assets through business combinations.

5.3 The Company has not, during all the years, impaired any intangible assets nor reversed any past impairment.

5.4 There are no additions to intangible assets, during all years, on account of exchange differences.

5.5 There are no additions to intangible assets, during all years, on account of revaluation.

5.6 There are no disposals of intangible assets, during all years, on account of discontinued operations.

5.7 None of the intangible assets have indefinite life.

	Particulars	Year Ended Mar-31-2018	Year Ended Mar-31-2017	Year Ended Apr-01-2016
		₹	₹	₹
6	**Loans**			
	(a) Capital advances	-	-	710,312
	(b) Security deposits	3,356,130	3,364,530	3,364,530
	Total loans	**3,356,130**	**3,364,530**	**4,074,842**
	Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.	Nil	Nil	Nil
6.1	Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.			
7	**Other non-current assets**			
	Margin money towards letter of credit and bank guarantee	-	-	12,500,000
	Total	**-**	**-**	**12,500,000**
8	**Inventories**			
	(a) Raw Materials	16,372,000	6,513,852	17,653,663
	(b) Work-in-progress	33,749,000	23,475,722	20,771,871
	(c) Goods in transit	-	-	1,251,008
	(d) Stores, spares, loose tools	3,004,660	6,804,086	6,058,081
	Total inventories	**53,125,660**	**36,793,660**	**45,734,623**
8.1	Mode of valuation: See Note 2.04			
8.2	Inventories are taken and valued by the management.			
9	**Trade receivables unsecured, considered good**			
	(a) Outstanding for less than six months	65,627,204	13,971,631	17,180,018
	(b) Outstanding for a period exceeding six months	14,311,378	13,108,951	12,541,115
	(c) Unsecured considered good	1,413,097	1,414,097	919,660
	Less: Provision for doubtful debts	(1,413,097)	(1,413,097)	(919,660)
	Total trade receivables	**79,938,582**	**27,080,582**	**29,721,133**
	Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.	Nil	Nil	Nil
9.1	Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.			
9.2	Trade receivables are non-interest-bearing.			

	Particulars			Year Ended Mar-31-2018	Year Ended Mar-31-2017	Year Ended Apr-01-2016
				₹	₹	₹
10	**Cash and cash equivalents**					
	(a)	Balances with banks				
		i	Current account balances with bank	275,863	213,964	1,884
		iii	On unpaid dividend accounts	3,313,250	4,278,950	5,070,855
	(b)	Cash on hand		7,620	15,969	48,822
	(c)	Other Bank Balances				
		i	Margin Money Deposit	2,701,933	1,000,000	12,500,000
			Less: Amount disclosed under other non-current asset	-	-	(12,500,000)
	Total cash and cash equivalents			**6,298,666**	**5,508,883**	**5,121,561**
Notes						
10.1	Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.					
10.2	The Company has pledged a part of its short-term deposits to fulfil collateral requirements.					
11	**Short-terms loans & advances**					
	(Unsecured, considered good, unless otherwise stated)					
	Balance with statuary/government authorities					
	Excise & Service Tax			814,030	576,720	5,884,779
	VAT Receivable			4,489,240	12,748,421	23,380,348
	Advance recoverable in cash or kind			131,246	586,918	430,756
	Export benefit receivable			-	-	7,220,266
	Prepaid insurance			368,756	440,429	522,726
	Loans & Advances to former related parties			195,008	195,008	0
	Total loans			**5,998,280**	**14,547,496**	**37,438,875**
	Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.			Nil	Nil	Nil
11.1	Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.					
12	**Other current assets**					
	Advance Tax & TDS			3,745,885	3,098,786	2,676,526
	Total other current assets			**3,745,885**	**3,098,786**	**2,676,526**
	In the opinion of the Board,all the assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of bussiness atleast equal to the amount at which they are stated.					

	Particulars	Year Ended Mar-31-2018 ₹	Year Ended Mar-31-2017 ₹	Year Ended Apr-01-2016 ₹
13	**Share capital**			
13.1	**Authorized Share capital**			
	Equity Shares			
	(a) Number of shares authorized	12,500,000	12,500,000	12,500,000
	(b) Amount of shares authorized	125,000,000	125,000,000	125,000,000
	(c) Par value per share	10	10	10
	4% Redeemable Non-cumulative Preference Shares			
	(a) Number of shares authorized	750,000	750,000	750,000
	(b) Amount of shares authorized	7,500,000	7,500,000	7,500,000
	(c) Par value per share	10	10	10
	Total Share Capital			
	(a) Number of shares authorized	13,250,000	13,250,000	13,250,000
	(b) Amount of shares authorized	132,500,000	132,500,000	132,500,000
13.2	**Issued, Subscribed & Fully-paid up Share capital**			
	Equity Shares			
	(a) Number of shares authorized	10,939,400	10,939,400	10,939,400
	(b) Amount of shares authorized	109,394,000	109,394,000	109,394,000
13.3	**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**			
	(a) Shares outstanding at the beginning of the reporting period	10,939,400	10,939,400	10,939,400
	(b) Shares allotted during the reporting period	-	-	-
	(c) Shares forfeited during the reporting period	-	-	-
	(d) Shares bought back during the reporting period	-	-	-
	(e) Shares outstanding at the end of the reporting period	10,939,400	10,939,400	10,939,400
13.4	**Equity share capital at the end of the year**	**109,394,000**	**109,394,000**	**109,394,000**
13.5	**Shares in the company held by each shareholder holding more than 5 per cent shares specifying the number of shares held**			
	(a) Western India Forgings Private Limited			
	Number of shares	6,997,218	6,997,218	-
	Percentage	63.96%	63.96%	-
	(b) A. K. Jindal			
	Number of shares	600,000	600,000	-
	Percentage	5.48%	5.48%	-
	(c) Rajkumar S. Kothavale *			
	Number of shares	-	-	4,722,449
	Percentage	-	-	43.17%
	* Out of the above, 46,71,249 shares are jointly held with Ratnaprabha Rajkumar Kothavale and Sonal Rajkumar Kothavale.			
13.6	**Terms/ rights attached to equity shares**			
	The company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.			
	In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
	The Company does not have any shares reserved for issue under options.			
	During the year under review, the Company has transferred 534,300 equity shares to the Investor Education & Protection Fund.			
14	**Other equity**			
	(a) Capital Redemption Reserve	5,000,000	5,000,000	5,000,000
	(b) Capital Reserve: State Capital Subsidy	3,000,000	3,000,000	3,000,000
	(c) General reserve	16,099,846	16,099,846	16,099,846
	(d) Retained earnings	67,419,145	63,789,899	100,808,922
	Total other equity	**91,518,991**	**87,889,745**	**124,908,768**
14.1	The Company has not made any cash / non-cash distrubution to its shares holders during all the years.			

	Particulars	Year Ended Mar-31-2018	Year Ended Mar-31-2017	Year Ended Apr-01-2016
15	**Non-current borrowings secured**			
	(a) Corporate term loans from banks			
	Bank of Baroda	-	9,000,000	-
	HDFC Bank (secured by corporate guarantee issued by the Company's Holding Company)	2,250,000	-	-
	Total non-current borrowings secured	**2,250,000**	**9,000,000**	**-**
16	**Long term Provisions**			
	(a) Gratuity	4,142,930	4,208,585	4,980,704
	Liability under the Payment of Gratuity Act,1972 has been actuarially valued. However the liability is not funded externally.			
	(b) Leave encashment	635,675	827,339	1,359,660
	Privilege Leave entitlements liability has been actuarially valued. However the liability is not funded externally			
	Total long-term provisions	**4,778,605**	**5,035,924**	**6,340,364**
17	**Deferred tax liabilities (net)**			
	Deferred tax liabilities			
i	Fixed Assets: Impact of Difference between income tax depreciation & depreciation charged for the financial statements	13,831,207	13,542,763	13,131,192
	Deferred tax assets			
ii	Impact of expenditure charged to the statement of profit & loss in the current year but allowed for tax purpose on payment basis.	-	-	3,160,920
iii	Carry forward losses/un-absorbed depreciation	(12,055,408)	(13,807,478)	5,446,719
	Total deferred tax liabilities (net)	**1,775,799**	**(264,715)**	**4,523,553**
18	**Other non-current liabilities**			
	(a) Security Deposits	20,000	20,000	20,000
	Total other non-current liabilities	**20,000**	**20,000**	**20,000**
19	**Current borrowings secured**			
	Working capital limits from banks	38,746,074	22,030,168	28,666,832
	Buyers' Credit from banks	-	-	37,314,515
	Total current borrowings secured	**38,746,074**	**22,030,168**	**65,981,347**
19.1	Short term borrowings for working capital requirments availed by the company in the nature of cash credit facility, post shipment demand loan and buyers credit are secured by way of hypothecation of the company's stocks and book debts, both present and future and also secured by charge on company's immovable properties, both present and future, and personal guarantee by the promoters of the company Mr. A.K. Jindal and of Mr. K.B. Jindal and corporate guarantee of the holding company Western India Forgings Private Limited. The cash credit is repayable on demand and carries interest rate ranging from 9.50% to 10%.			

	Particulars	Year Ended Mar-31-2018	Year Ended Mar-31-2017	Year Ended Apr-01-2016
		₹	₹	₹
20	**Trade payables**			
	(a) Related parties	10,625,400	489,725	-
	(b) Other parties	45,767,942	19,906,929	8,240,710
	Total trade payables	**56,393,342**	**20,396,654**	**8,240,710**
	Balance of Sundry Creditors are subject to confirmation/ reconciliations.			
21	**Other financial liabilities**			
	(a) Unclaimed dividends	3,313,250	4,278,950	5,070,855
	(b) Statutory liabilities	2,628,933	2,601,260	2,222,716
	(c) Other liabilities	3,502,019	1,257,839	1,235,505
	Total other financial liabilities	**9,444,202**	**8,138,049**	**8,529,076**
	Note: Trade payables & all liabilities are non-interst-bearing, unless specified otherwise in the contract.			
22	**Other current liabilities**			
	(a) Current maturities of long-term debt	9,000,000	9,000,000	-
	(b) Advance from customers	2,341,333	3,279,151	4,651,966
	(c) Other payables	2,124,400	-	-
	Total other current liabilities	**13,465,733**	**12,279,151**	**4,651,966**
23	**Provisions**			
	Provision for employee benefits			
	(a) Gratuity	323,211	241,229	1,267,119
	(b) Leave encashment	77,275	76,925	598,213
	Total provisions	**400,486**	**318,154**	**1,865,332**
24	**Contingent Liabilities not provided for:**			
	(a) Guarantees & letters of credit issued by bankers on behalf of the Company	14,755,959	8,170,293	2,276,563
	(b) Claims against the Company not acknowledged as debts	-	-	19,798,653
	(c) Customs duty on shortfall in export obligation under EPCG Scheme to be performed by 31/03/2019 (excluding interest & penalty)	14,932,779	14,932,779	-
	(d) Estimated amount of contracts remaining to be executed on capital account	-	-	28,500
	Total Contingent Liabilities not provided for	**29,688,738**	**23,103,072**	**22,103,716**
	Note: The above table shows the voluntary disclosure of provisions for the comparative period as Ind AS 37 .84 does not require such disclosure.			

	Particulars	Year Ended Mar-31-2018	Year Ended Mar-31-2017
		₹	₹
25	**Revenue from Operations**		
	Revenue from		
	a Company other than a finance company		
	i Sale of products		
	Gross sales		
	i Export Sales	13,600,716	11,173,099
	ii Domestic sale of products	194,215,019	31,450,370
	Add: Excise duty collected	4,095,417	4,214,457
	Add: MVAT/CST collected	1,873,699	1,727,935
	Add: GST collected	37,334,421	-
		251,119,272	48,565,861

		Particulars	Year Ended Mar-31-2018 ₹	Year Ended Mar-31-2017 ₹
		Less: Excise duty paid	(1,836,000)	(4,214,457)
		Less: MVAT/CST paid	-	(1,793,882)
		Less: GST paid	(13,351,506)	-
			235,931,766	42,557,522
	Other operating revenues			
	i	Export benefits	-	284,986
	ii	Sale of scarp	3,337,250	1,511,850
	iii	Job work	52,461,032	15,805,251
	Total revenue from operations		**291,730,048**	**60,159,609**
26	**Other income**			
	a	Interest on VAT Refund	454,883	-
	b	Interest on fixed deposits with banks	120,933	459,125
	c	Excess Provision Written Back	313,276	2,851,618
	d	Foreign exchange Gain	439,239	285,513
	e	Miscellaneous Income	167,489	-
	Total at the end of the reporting period		**1,495,821**	**3,596,256**
27	**Cost Of Material Consumed**			
	a	Inventory at the beginning	6,513,852	17,653,663
	b	Add: Purchases	167,036,139	7,696,704
	c	Less: Inventory at the end	(16,372,000)	(6,513,852)
		Cost of Materials consumed	**157,177,991**	**18,836,515**
		Details of raw material consumption		
		Alloy & Steel Ingots	**157,177,991**	**18,836,515**
28	**Changes in Inventories**			
		Inventories at the end of the year		
	a	Work in progress	(33,749,000)	(23,475,722)
	b	Finished goods	-	-
	c	Scrap	(619,000)	(998,890)
		Inventories at the beginning of the year		
	a	Work in progress	23,475,722	20,771,871
	b	Finished goods	-	1,251,008
	c	Scrap	998,890	252,885
	Changes in Inventories		**(9,893,388)**	**(2,198,848)**
29	**Manufacturing Expense**			
	a	Power and Fuel	57,519,557	17,555,190
	b	Consumption of Stores and Spares Parts	8,583,469	1,348,336
	c	Process & conversion expenses	3,669,727	-
	d	Freight and Forwarding Charges	2,564,066	228,867
	e	Security Expenses	1,362,275	922,448
	f	Quality Control Expenses	806,479	438,040
	g	Labour Charges-Manufacturing	784,453	502,993
	h	Repairs to Plant and Machinery	530,323	222,526
	i	Repairs to Building	399,119	-
	j	Machine Charges	383,798	1,612,245
	k	Commitment Charges(Machining)	167,921	757,912
	l	Other Manufacturing Expenses	140,788	117,516
	Total Manufacturing expenses		**76,911,974**	**23,706,073**

		Particulars	Year Ended Mar-31-2018 ₹	Year Ended Mar-31-2017 ₹
30	**Employee Benefits Expenses**			
	a	Salaries, Wages, Bonus etc.	25,496,797	20,442,231
	b	Contribution to Provident & Other Funds	959,205	937,935
	c	Gratuity expense	982,038	1,791,915
	d	Directors' Remuneration	3,324,000	1,229,565
	e	Staff Welfare	974,622	1,021,735
	Total employee benefits expenses		**31,736,662**	**25,423,381**
31	**Office & administration expenses**			
	a	Legal & Professional Fees	1,889,904	1,656,889
	b	Directors Sitting Fees	720,000	540,000
	c	License and Application Fees	689,618	108,432
	d	Insurance	681,712	349,782
	e	Hire Charges	569,114	742,511
	f	Rent	-	1,034,488
	g	Stamp & Hundi Papers	445,374	7,335
	h	Rates & Taxes	311,086	162,799
	i	Telephone expenses	550,089	218,906
	j	General Meeting Expenses	76,263	539,317
	k	Printing & Stationery	476,052	161,287
	l	Indirect taxes	331,349	90,942
	m	Listing Fees (Stock Exchange)	250,000	200,000
	n	Auditors' Remuneration :		
		Internal Audit Fees	100,000	135,000
		Audit fees	340,000	240,000
		VAT Audit Fees	50,000	25,000
		Tax Audit Fees	35,000	35,000
	o	Other administrative expenses	1,238,977	333,971
	p	Housekeeping expenses	156,136	246,126
	q	Power - office	-	840,490
	Total office & administration expenses		**8,910,674**	**7,668,275**
32	**Selling expenses**			
	a	Bad Debts	-	3,222,776
	b	Travelling and Conveyance	326,071	2,593,259
	c	Provision for Doubtful Debts	-	1,413,097
	d	Sales promotion expenses	2,310	-
	e	Export benefit receivable written off	-	627,555
	f	Service tax	-	2,796,475
	Total selling expenses		**328,381**	**10,653,162**
33	**Finance Costs**			
	a	Interest on borrowings from Banks	6,882,321	7,375,005
	b	Bank Charges	2,535,207	793,793
	Total finance costs		**9,417,528**	**8,168,798**
34	**Depreciation and amortization expense**			
	a	Depreciation expense	11,591,448	13,252,303
	b	Amortization expense	40,138	40,138
	Total depreciation and amortization expense		**11,631,586**	**13,292,441**

	Particulars	Year Ended Mar-31-2018	Year Ended Mar-31-2017
		₹	₹
35	**Other expenses**		
	a (Profit) / Loss on Sale of Assets	-	13,358
	Total other expenses	**-**	**13,358**
36	**Earnings Per Share (EPS):**		
	Earnings per share is calculated in accordance with the Ind AS 33		
	Profit after tax (₹)	3,629,246	(37,019,023)
	Weighted Average Number of Equity shares	10,939,400	10,939,400
	Nominal Value of Equity Share (₹)	10.00	10.00
	Basic and Diluted Earnings Per Share (₹)	0.33	(3.38)

	Particulars	2017-18	2016-17
		₹	₹
37	**Additional Information**		
	A Value of imports calculated on C.I.F basis		
	Components and spare parts	-	124,453
	Total	**-**	**124,453**
	B Total value of all imported raw materials, spare parts and components consumed		
	Stores, spare parts & components	-	99,022
	Total imported	**-**	**99,022**
	C Total value of all indigenous raw materials, spare parts and components similarly consumed		
	Raw materials	157,177,991	18,836,515
	Stores, spare parts & components	8,583,469	1,348,336
	Total indigenous	**165,761,460**	**20,184,851**
	Grand Total		
	Raw materials	**157,177,991**	**18,836,515**
	Stores, spare parts & components	**8,583,469**	**1,447,358**
	Total	**165,761,460**	**20,283,873**
	The percentage of indigenous items to the total consumption	100.00%	99.51%
	The percentage of imported items to the total consumption	0.00%	0.49%
	D Earnings in foreign exchange		
	Export of goods on F.O.B. basis	13,600,716	11,173,099
	Total	**13,600,716**	**11,173,099**
38	**Disclosure for assets taken on lease as per Ind AS 17:** The Company had entered into a commercial lease agreement for taking office space on lease. The lease agreement was for a period of 33 months with renewal option and escalation clauses. There were no restrictions placed upon the Company by entering into this lease. The Company had not given any sub-lease during the year. The lease arrangement did not include a non-cancellable period. Accordingly the lease was terminated during the year FY 2016-17.		
	The lease rent debited to the Statement of Profit & Loss is	-	1,034,488
39	**Disclosures pursuant to Accounting Standard- 15 "Employee Benefits"**:		
	(A) Defined Contribution Plans:		
	The Company's Provident Fund Scheme (including pension fund scheme for eligible employees) and superannuation fund scheme are defined contribution plans:		
	The expenses debited to the Statement of Profit and Loss are		
	a) Provident fund	948,005	779,291
	b) Superannuation Fund	11,200	158,644
		959,205	**937,935**

Particulars	2017-18	2016-17
	₹	₹
(B) Defined Benefit Plan:		
The Company operates a gratuity scheme plan for its employees. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days' salary (last drawn salary) for each completed year of service.		
The expense debited to the Statement of Profit and Loss is		
Gratuity	**1,126,038**	**1,791,915**
The following tables set out disclosures prescribed by AS 15 in respect of Company's unfunded gratuity plan:		
I Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:		
Defined Benefit Plan:		
Present value of Obligation at the beginning of the year	4,449,814	6,247,823
Current Service Cost	337,613	337,613
Interest Cost	292,966	420,349
Contributions by plan participant	-	-
Actuarial (Gain) / Loss due to change in assumptions	472,959	(569,048)
Acquisition / Business Combination / Divestiture	-	-
Benefits Paid	(1,087,211)	(1,986,923)
Past service cost	-	-
Curtailments	-	-
Settlements	-	-
Present value of Obligation at the end of the year	**4,466,141**	**4,449,814**
II Amounts recognised in the balance sheet are as follows:		
Present value of Obligation at the end of the year	4,466,141	4,449,814
Funded value of asset (unfunded)	-	-
Net Asset / (Liability) recognised in Balance Sheet	**4,466,141**	**4,449,814**
III Expense recognized in the Statement of Profit and Loss Account are as follows:		
Current Service Cost	337,613	337,613
Interest Cost	292,966	420,349
Expected return on Plan Asset	-	-
Net actuarial (gain) / loss recognized in the year	472,959	(569,048)
Past service cost	-	-
Effect of Curtailments	-	-
Expense / (Income) recognised in the Statement of Profit & Loss	**1,103,538**	**188,914**
IV Principal Actuarial Assumptions at the balance sheet date:		
Economic Assumptions:		
Discount Rate (per annum)	7.70%	7.50%
Basic salary increases allowing for price inflation etc.	8.00%	8.00%
Withdrawal Rate	5.00%	5.00%
The estimates of future salary increase, considered in actuarial valuation, taken on account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.		

Particulars	Mar-31-2018	Mar-31-2017	Mar-31-2016	Mar-31-2015	Mar-31-2014
V Disclosures under AS 15					
Defined Benefit Obligation	4,466,141	4,449,814	6,247,823	6,035,144	4,980,506
Plan Asset	-	-	-	-	-
Surplus / (Deficit)	(4,466,141)	(4,449,814)	(6,247,823)	(6,035,144)	(4,980,506)
Experience adjustments on plan assets	-	-	-	-	-
Experience adjustments on plan liability (gain /loss)	1,609,902	(760,160)	(623,726)	(350,324)	170,032

	Particulars	Mar-31-2018		Mar-31-2017	
40	a) The year-end foreign currency (FC) exposures that are unhedged by a derivative instrument or otherwise are as follows:				
	Receivables in foreign currency	₹ 33,52,683	USD 50,055	₹ 19,615	USD 304.37
		₹ 95,760	GBP 1,050	₹ 9,76,374	GBP 12,150
	Advance from customers	₹ 23,28,533	USD 35,799	₹ 21,57,151	USD 33,475

41 Restatement of Balance Sheet

Particulars	Note	As per IGAAP As at Mar-31-2016 ₹	Adjustments as per Ind AS ₹	As per Ind AS As at Apr-01-2016 ₹
I ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	3	143,033,007	-	143,033,007
(b) Capital work-in-progress	4	53,736,964	-	53,736,964
(c) Intangible assets	5	417,585	-	417,585
(d) Financial assets				
(i) Loans & advances	6	4,074,842	-	4,074,842
(e) Other non-current assets	7	12,500,000	-	12,500,000
Total non-current assets		**213,762,398**	**-**	**213,762,398**
2 Current assets				
(a) Inventories	8	45,734,623	-	45,734,623
(b) Financial Assets				
(i) Trade receivables	9	29,721,133	-	29,721,133
(ii) Cash and cash equivalents	10	5,121,561	-	5,121,561
(iii) Short-term loans & advances	11	37,438,875	-	37,438,875
(c) Other current assets	12	4,279,268	(1,602,742)	2,676,526
Total current assets		**122,295,460**	**(1,602,742)**	**120,692,718**
Total Assets		**336,057,858**	**(1,602,742)**	**334,455,116**
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	13	109,394,000	-	109,394,000
(b) Other equity	14	124,908,768	-	124,908,768
Total equity		**234,302,768**	**-**	**234,302,768**
2 Liabilities				
A Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	-		-
(b) Provisions	16	6,340,364	-	6,340,364
(c) Deferred tax liabilities (Net)	17	4,523,553	-	4,523,553
(d) Other non-current liabilities	18	20,000	-	20,000
Total non-current liabilities		**10,883,917**	**-**	**10,883,917**
B Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	65,981,347	-	65,981,347
(ii) Trade payables	20	8,240,710	-	8,240,710
(iii) Other financial liabilities (other than those specified in item (ii))	21	8,529,076	-	8,529,076
(b) Other current liabilities	22	4,651,966	-	4,651,966
(c) Provisions	23	1,865,332	-	1,865,332
(d) Current tax liabilities (Net)	24	1,602,742	(1,602,742)	-
Total current liabilities		**90,871,173**	**(1,602,742)**	**89,268,431**
Total liabilities		**101,755,090**	**(1,602,742)**	**100,152,348**
Total equity and liabilities		**336,057,858**	**(1,602,742)**	**334,455,116**
Notes				
41.1 **Adjustments in Other current assets**				
i) Advance tax & TDS			(1,602,742)	
41.2 **Adjustments in Current tax liabilities (Net)**				
i) Advance tax & TDS			(1,602,742)	

42 Restatement of Balance Sheet

Particulars	Note	As per IGAAP	Adjustments	Adjustments	As per Ind AS
		As at Mar-31-2017	Apr-01-2016	2016-2017	As at Mar-31-2017
		₹	₹	₹	₹
I ASSETS					
1 Non-current assets					
(a) Property, plant and equipment	3	129,864,044	-	-	129,864,044
(b) Capital work-in-progress	4	53,601,702	-	-	53,601,702
(c) Intangible assets	5	377,447	-	-	377,447
(d) Financial assets					
(i) Loans & advances	6	3,364,530	-	-	3,364,530
(e) Other non-current assets	7	-	-	-	-
Total non-current assets		**187,207,723**	**-**	**-**	**187,207,723**
2 Current assets					
(a) Inventories	8	36,793,660	-	-	36,793,660
(b) Financial Assets					
(i) Trade receivables	9	27,574,019	-	(493,437)	27,080,582
(ii) Cash and cash equivalents	10	5,508,883	-	-	5,508,883
(iii) Short-term loans & advances	11	17,971,526	-	(3,424,030)	14,547,496
(c) Other current assets	12	4,945,381	(1,602,742)	(243,853)	3,098,786
Total current assets		**92,793,469**	**(1,602,742)**	**(4,161,320)**	**87,029,407**
Total Assets		**280,001,192**	**(1,602,742)**	**(4,161,320)**	**274,237,130**
II EQUITY AND LIABILITIES					
1 Equity					
(a) Equity share capital	13	109,394,000	-	-	109,394,000
(b) Other equity	14	82,790,738	-	5,099,007	87,889,745
Total equity		**192,184,738**	**-**	**5,099,007**	**197,283,745**
2 Liabilities					
A Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	15	9,000,000	-	-	9,000,000
(b) Provisions	16	5,035,924	-	-	5,035,924
(c) Deferred tax liabilities (Net)	17	8,751,759	-	(9,016,474)	(264,715)
(d) Other non-current liabilities	18	20,000	-	-	20,000
Total non-current liabilities		**22,807,683**	**-**	**(9,016,474)**	**13,791,209**
B Current liabilities					
(a) Financial liabilities					
(i) Borrowings	19	22,030,168	-	-	22,030,168
(ii) Trade payables	20	20,396,654	-	-	20,396,654
(iii) Other financial liabilities (other than those specified in item (ii))	21	8,138,049	-	-	8,138,049
(b) Other current liabilities	22	12,279,151	-	-	12,279,151
(c) Provisions	23	318,154	-	-	318,154
(d) Current tax liabilities (Net)	24	1,846,595	(1,602,742)	(243,853)	-
Total current liabilities		**65,008,771**	**(1,602,742)**	**(243,853)**	**63,162,176**
Total liabilities		**87,816,454**	**(1,602,742)**	**(9,260,327)**	**76,953,385**
Total equity and liabilities		**280,001,192**	**(1,602,742)**	**(4,161,320)**	**274,237,130**

Particulars	Note	As per IGAAP	Adjustments	Adjustments	As per Ind AS
		As at Mar-31-2017	Apr-01-2016	2016-2017	As at Mar-31-2017
		₹	₹	₹	₹
Notes					
42.1 **Adjustments in Other Equity (retained earnings)**					
i) Provision for doubtful debts				(493,437)	
ii) Export benefit receivable				(627,555)	
iii) Service tax Adjustments				(2,796,475)	
iv) DTL				9,016,474	
				5,099,007	
42.2 **Adjustments in Trade Receivables**					
i) Provision for doubtful debts				(493,437)	
42.3 **Adjustments in Short-term loans & advances**					
i) Export benefit receivable				(627,555)	
42.4 **Adjustments in Other current assets**					
i) Advance tax TDS				(243,853)	
42.5 **Adjustments in Current tax liabilities (Net)**					
i) Advance tax				(243,853)	
42.6 **Adjustments in deferred tax liabilities (Net)**					
i) DTL				9,016,474	

43 Restatement of Statement of Profit and Loss

	Particulars		Year ended Mar-31-2017		
			As per IGAAP	Adjustments	As per Ind AS
			₹	₹	₹
I	**INCOMES**				
	(i)	Revenue from operations	60,159,609	-	60,159,609
	(ii)	Other income	3,596,256	-	3,596,256
	Total Income		**63,755,865**	**-**	**63,755,865**
II	**EXPENSES**				
	(i)	Cost of Material Consumed	18,836,515	-	18,836,515
	(ii)	Changes in inventories of finished goods, stock-in -trade and work-in progress	(2,198,848)	-	(2,198,848)
	(iii)	Manufacturing Expense	23,706,073	-	23,706,073
	(iv)	Employee benefits expenses	25,423,381	-	25,423,381
	(v)	Office & administration expenses	7,668,275	-	7,668,275
	(vi)	Selling expenses	6,735,695	3,917,467	10,653,162
	(vii)	Finance costs	8,168,798	-	8,168,798
	(viii)	Depreciation and amortization expense	13,292,442	-	13,292,442
	(ix)	Other expenses	13,358	-	13,358
	Total expenses		**101,645,689**	**3,917,467**	**105,563,156**
III	Profit/(loss) before exceptional items		(37,889,824)	-	(41,807,291)
IV	Exceptional Items		-	-	-
	Profit/(loss) after exceptional items		(37,889,824)	-	(41,807,291)
	Extraordinary items		-	-	-
V	Profit/(loss) before tax		**(37,889,824)**	**-**	**(41,807,291)**
VI	Tax expense:				
	(i)	Current tax	-	-	-
	(ii)	Deferred tax	(4,228,207)	9,016,474	4,788,267
	(iii)	MAT Credit Adjustment for earlier year	-	-	-

	Particulars	Year ended Mar-31-2017		
		As per IGAAP	**Adjustments**	**As per Ind AS**
		₹	₹	₹
VII	Profit (Loss) for the period from continuing operations	**(42,118,031)**	**9,016,474**	**(37,019,024)**
VIII	Profit/(loss) from discontinued operations	-	-	-
IX	Tax expense of discontinued operations	-	-	-
X	Profit/(loss) from Discontinued operations (after tax)	-	-	-
XI	Profit/(loss) for the period	**(42,118,031)**	**9,016,474**	**(37,019,024)**
XII	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
	B (i) Items that will be reclassified to profit or loss	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
XII	Total comprehensive income for the period (comprising profit (loss) and other comprehensive income for the period)	(42,118,031)	9,016,474	(37,019,024)
XIV	Earnings per equity share (for continuing operation):			
	(i) Basic	(3.85)	-	(3.38)
	(ii) Diluted	(3.85)	-	(3.38)
XV	Earnings per equity share (for discontinued operation):			
	(i) Basic	-	-	-
	(ii) Diluted	-	-	-
XVI	Earnings per equity share(for discontinued & continuing operations)			
	(i) Basic	(3.85)	-	(3.38)
	(ii) Diluted	(3.85)	-	(3.38)

44	**Related party disclosures**			
1	Names of related parties where control exists and related party relationship			
	Holding company		Western India Forgings Private Limited	
	Fellow subsidiary		Orient Precision Engineering Private Limited	
	Key Management Personnel	1	A. K. Jindal*	Director
		2	N. S. Rajore*	Whole-time Director
		3	R. T. Goel*	Independent Director
		4	Sudha Santhanam*	Independent Director
		5	Shubham A. Jindal*	Chief Financial Officer
		6	Shruti Patil*	Company Secretary
		7	Shruti Khandelwal#	Company Secretary
		8	Shilpa K. Dixit#	Independent Director
		9	S. Padmanabhan#	Independent Director
		10	Pradeep Bhargava#	Independent Director
		11	Swastik Sirsikar#	Independent Director
		12	Shantanu R. Kothavale#	Director
		13	Ratnaprabha Kothavale#	Director
		14	R. S. Kothavale#	Managing Director
	Relatives of Key Management Personnel	1	K. B. Jindal	
		2	Shruti A. Jindal	
		3	Arushi A. Jindal	
		4	Renu Agarwal	
	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	1	Kran Rader Private Limited	
		2	Arya Associates	

*Current Key Management Personnel as on March 31, 2018.
#Key Management Personnel for the financial year ended 2016-17.

		Particulars	2017-18	2016-17
			₹	₹
2	Related party transactions			
	BALANCE SHEET ITEMS:			
	a	**Equity Contribution**		
		Western India Forgings Private Limited	69,972,180	69,972,180
		A. K. Jindal	6,000,000	6,000,000
		K. B. Jindal	250,000	250,000
		Sub total	**76,222,180**	**76,222,180**
	b	**Balance Payable at year end**		
		Western India Forgings Private Limited	10,571,476	489,725
		Orient Precision Engineering Private Limited	53,923	21,584
		Sub total	**10,625,399**	**511,309**
		Balance Receivable at year end		
		R. S. Kothavale	195,008	195,008
		Sub total	**195,008**	**195,008**
		Total of Balance Sheet Items	**87,042,587**	**76,928,497**
	PROFIT & LOSS ITEMS:			
	a	**Sale of forgings**		
		Western India Forgings Private Limited	61,847,782	14,016,988
		Sub-total	**61,847,782**	**14,016,988**
	b	**Purchases**		
		Western India Forgings Private Limited	54,758,170	1,838,220
		Sub-total	**54,758,170**	**1,838,220**
	c	**Machining charges**		
		Western India Forgings Private Limited	81,340	37,665
		Orient Precision Engineering Private Limited	1,304,270	301,126
		Sub-total	**1,385,610**	**338,791**
	d	**Remuneration paid during the year**		
		N. S. Rajore	3,324,000	-
		R. S. Kothavale	-	1,229,565
		Sub-total	**3,324,000**	**1,229,565**
	e	**Office Rent**		
		R.S. Kothavale (HUF)	-	840,000
		Sonal Kothavale	-	194,488
		Sub-total	**-**	**1,034,488**
	f	**Commitment charges**		
		Orient Precision Engineering Private Limited	167,921	757,912
		Sub-total	**167,921**	**757,912**
	g	**Director's Sitting Fees**		
		A. K. Jindal	240,000	60,000
		R. T. Goel	240,000	60,000
		Sudha Santhanam	240,000	-
		Shilpa K. Dixit	-	60,000
		S. Padmanabhan	-	70,000
		Pradeep Bhargava	-	110,000
		Swastik Sirsikar	-	100,000
		Shantanu R Kothavale	-	30,000
		Ratnaprabha Kothavale	-	50,000
		Sub-total	**720,000**	**540,000**
		Total of Profit & Loss Items	**122,203,483**	**19,755,964**
		Grand Total	**209,246,070**	**96,684,461**

45 Segment Reporting as per Ind AS-108

There is only one primary segment of the Company's operations, namely, manufacture of forgings. The secondary segment of the Company's operations is identified on the basis of geographical location of the customers because the operations of the Company comprise local sales & export sales. The management views the Indian market & the export market as distinct geographical segments details of which are disclosed as follows:

	Year ended March 31, 2017		
	Within India	**Outside India**	**Total**
Segment Revenue	48,986,510	11,173,099	60,159,609
Addition to fixed assets	109,914	-	109,914
Carrying value of assets	273,241,141	995,989	274,237,130

	Year ended March 31, 2018		
	Within India	**Outside India**	**Total**
Segment Revenue	278,129,332	13,600,716	291,730,048
Addition to fixed assets	1,606,204	-	1,606,204
Carrying value of assets	327,271,578	915,655	328,187,233

Particulars	2017-18	2016-17
46 Additional information related to delayed payment by the Company to Micro / Small Enterprises as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006):		
(i) The principal amount remaining unpaid to any supplier (as defined in S2(n) of MSMED Act, 2006) as at the end of the accounting year	Nil	Nil
(ii) The interest due on the principal amount remaining unpaid to any such supplier as at the end of the accounting year	Nil	Nil
(iii) The amounts of payments made to such supplier beyond the appointed day during the accounting year	Nil	Nil
(iv) The amount of interest paid by the company in terms of S 16 of MSMED Act, 2006, during the accounting year	Nil	Nil
(v) The amount of interest due and payable for the period of delay in making payment without adding the interest specified under MSMED Act, 2006.	Nil	Nil
(vi) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii) The amount of further interest due and payable even in the succeeding years until such a day when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure u/s 23 of the MSMED Act, 2006	Nil	Nil

As per our audit report of even date.
For Gokhale, Tanksale & Ghatpande,
Firm Registration No: 103277W
Chartered Accountants

For & on behalf of the Board of Directors

Arun Jindal
Chairman
DIN: 00121523

Nitin Rajore
Whole-time Director
DIN: 01802633

S. M. Ghatpande
Partner
Membership No. 30462

Shubham Jindal
Chief Financial Officer

Shruti Patil
Company Secretary
Membership No. A40609

Place: Pune
Date : May 26, 2018

Place: Pune
Date : May 26, 2018

RAJKUMAR FORGE LIMITED

(CIN: L28910PN1990PLC056985)

Registered Office: 29/1, Kharadi Village, Off-Pune Nagar Road, Pune – 411014

Email ID: secretarial@rkforge.in Website: www.rkforging.com Phone: (20) 67310700/01/02

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

ATTENDANCE SLIP

28th Annual General Meeting of the Company held on Wednesday, September 26, 2018 at 11.00 a.m. at Poona Club Limited, 6, Bund Garden Road, Pune – 411001

DP Id.* : ________________________	Folio No. : _______________________
Client Id.* : ______________________	No. of shares : ____________________

NAME AND ADDRESS OF THE SHAREHOLDER /PROXY ____

____I hereby record my presence at the **28th ANNUAL GENERAL MEETING** of the Company held on Wednesday, September 26, 2018 at 11.00 a.m. at Poona Club Limited, 6, Bund Garden Road, Pune – 411001

____

Signature of Shareholder/proxy

*Applicable for investors holding shares in electronic form.

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RAJKUMAR FORGE LIMITED

CIN: L28910PN1990PLC056985

Registered Office: 29/1, Kharadi Village, Off-Pune Nagar Road, Pune – 411014

Email ID: secretarial@rkforge.in | Website: www.rkforging.com | Phone: (20) 67310700/01/02

FORM MGT – 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No / Client Id* :

DP ID* :

I/We, being the member(s) of _____________ Equity Shares of the above named Company, hereby appoint:

1) _____________________________of_________________________ having e-mail id_____________________________ or failing him

2) _____________________________of_________________________ having e-mail id_____________________________ or failing him

3) _____________________________of_________________________ having e-mail id_____________________________

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Wednesday, September 26, 2018 at 11.00 a.m. at Poona Club Limited, 6, Bund Garden Road, Pune – 411 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
Ordinary Business		
1. Consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with Reports of the Board of Directors and Auditors thereon.		
2. Appointment of Director in place of Mr. Arun Jindal (DIN : 00121523), who retires by rotation and, being eligible, offers himself for re-appointment.		
SPECIAL BUSINESS		
3. Ratification of appointment of M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants (Firm Registration No. 103277W) as Statutory Auditors of the Company for the entire unexpired period.		
4. Authority to Board to revise the remuneration of Mr. Nitin Rajore (DIN : 01802633), Whole Time Director of the Company.		
5. Reclassification of Promoters into Public Category.		

* Applicable for investors holding shares in electronic form.

Signed this________________day of __________________2018 Signature of shareholder

Affix Revenue Stamp of Appropriate Value

________________________ ___________________________ _________________________

Signature of first Proxy holder Signature of second Proxy holder Signature of third Proxy holder

Notes:-

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**
2. **A Proxy need not be a member of the Company.**
3. A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. This is only optional, please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of Joint-holders, the signature of any one holder will be sufficient, but names of all the Joint-holders should be stated.

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NOTES

If Undelivered Please Return To :

RAJKUMAR FORGE LIMITED

Regd Office : 29/1, Kharadi Village,
Off Pune Nagar Road, Pune – 411 014.
Phone : 020 - 67310700/01/02
Web Site : www.rkforging.com
Email : secretarial @rkforge.in
invest@rkforge.in