

RAJKUMAR FORGE LIMITED

CIN: L28910PN1990PLC056985

REGD. OFF.: OFFICE NO. 511 TO 513, GLOBAL SQUARE, S. NO. 247, 14B,
YERAWADA, PUNE-411 006

PHONE NO. : 8956616160

EMAIL: info@rkforge.in

WEBSITE: www.rkforge.in



RFL/SEC/2021-22/64

August 24, 2021

The Manager,
BSE Limited,
Corporate Relationship Department,
1st Floor, New Trading Wing,
Rotunda Building, P. J. Towers,
Dalal Street, Mumbai - 400 001
Scrip Code: 513369

Dear Sir / Madam,

Sub : Submission of 31st Annual Report for the Financial Year 2020-2021 along with Notice of 31st Annual General Meeting

Pursuant to Regulation 30 read with Schedule III and Regulation 34 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended from time to time, we submit herewith 31st Annual Report for the Financial Year 2020-2021 including the Notice of 31st Annual General Meeting (AGM) of the Company which is scheduled on Monday September 20, 2021 at 12.00 PM (IST).

31st Annual Report and Notice of 31st Annual General Meeting are also available at the website of the Company at www.rkforge.in.

Kindly take the same on your records.

Thanking you,

Yours faithfully,
For **RAJKUMAR FORGE LIMITED**

Satish C Kadrolli
Company Secretary
Membership No. : A 43677

Encl : As above



RAJKUMAR FORGE LIMITED



31ST ANNUAL REPORT

CORPORATE INFORMATION
BOARD OF DIRECTORS
Chairman, Non-Executive Director

Mr. Arun Krishankumar Jindal

Whole Time Director

Mr. Nitin Shyam Rajore

Independent Director

Mr. Ratanlal Tikaram Goel

Independent Director

Ms. Sudha Santhanam

KEY MANAGERIAL PERSONNEL
Chief Financial Officer

Mr. Shubham Arun Jindal

COMPANY SECRETARY

Ms. Shruti Patil*

Mr. Satish Chandrashekhar Kadrolli#

*upto October 28, 2020

#w.e.f November 06, 2020

STATUTORY AUDITORS

M/s. Gokhale, Tanksale and Ghatpande

Chartered Accountants, Pune

INTERNAL AUDITORS

M/s. S A N N & Co.

Chartered Accountants, Pune

SECRETARIAL AUDITORS

M/s MSN Associates

Company Secretaries, Pune

SHARE TRANSFER AGENT

Link Intime India Private Limited, Pune

SEBI Registration No : INR000004058

Website: <https://linkintime.co.in/>

BANKER

Indusind Bank Limited

REGISTERED OFFICE

Office No. 511 to 513, Global Square, S. No. 247,
14B, Yerawada, Pune, Maharashtra, India 411 006

Phone: 8956616160

Email: Secretarial@rkforge.in / invest@rkforge.in

Website: www.rkforge.in

CIN: L28910PN1990PLC056985

FACTORY

Gat No. 357, Kharabwadi, Chakan - Talegaon Road,
Taluka - Khed, Pune, Maharashtra, India 410 501

Phone: (02135) 671423 / 671424

Email: info@rkforge.in

BOARD COMMITTEES
Audit Committee

Mr. Ratanlal Tikaram Goel (Chairman)

Mr. Nitin Shyam Rajore (Member)

Ms. Sudha Santhanam (Member)

Nomination & Remuneration Committee

Mr. Ratanlal Tikaram Goel (Chairman)

Mr. Arun Krishankumar Jindal (Member)

Ms. Sudha Santhanam (Member)

Stakeholders Relationship Committee

Mr. Ratanlal Tikaram Goel (Chairman)

Mr. Arun Krishankumar Jindal (Member)

Mr. Nitin Shyam Rajore (Member)

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MANAGEMENT DISCUSSION & ANALYSIS REPORT

About Rajkumar Forge:

Rajkumar Forge is a leading Open Die Forging facility catering across the industries from Oil and Gas to Infrastructure to Power transmission, mining, and construction. It has been serving the export market majorly to Oil and Gas players of the world. The company has reputation amongst the domestic customers. Rajkumar Forge covers almost every sector of the industry wherever high-quality forgings are required. The company has a world class facility with best in-house processes to deliver the highest quality forging to the customers. Safety is the topmost priority of the company and has ISO certifications and ensures adhere to the safety standards.

Economic Overview as to Global Economy and Indian Economy:

Global as well as Indian Economy witnessed the unprecedented crisis in 2020 resulted due to outbreak of novel corona virus, and it's been more than a year when the COVID-19 has been declared as Global Pandemic. Social Distancing Norms followed by strict lockdowns and restrictions resulted into economic slowdown and have adversely affected all the industries and business across Globe. Even though high degree of uncertainty for forecast of economy due to number of waves and new virus mutations; introduction multiple vaccines have reduced the severity and frequency of infection brought ray of hope of sustainable economic recoveries. What shook the market was the steep rise in steel prices and other commodities too. The company had to execute orders already confirmed and accepted at old prices and fresh enquires started drying up due to the unstable steel prices. The export market virtually vanished due to the uncertain pricing. Domestic businesses were unable to place orders due to the huge rise in steel prices.

Slowly and steadily the reality crept in that the steel price rise is here to stay and the market will have to live with this phenomenon. Thus the year began with the hope that the order book will improve and the market will finally accept the ground reality.

There has been gradually lifting of restrictions and relaxation done in phases in second half of FY 2020-2021 added with number of initiatives taken by Government by introduction of financial packages which is expected to strengthen the economy.

As per IMF outlook April 2021, Global economy is projected a strong recovery in 2021 and 2022 with growth projected to be 6 percent in 2021 and 4.4 percent in 2022. The recovery shall vary from economy to economy across the country depending upon how their economy respond to the new variants and waves of COVID-19. The recovery shall all depend on battle between virus and vaccines coupled with policies which the government shall develop under this high uncertainty to limit the damage from this unprecedented crisis.

(Source: IMF World Economic Outlook, April 2021)

Indian Forging Industry:

Forgings being considered as a backbone of the manufacturing industry, which majorly caters segments which have huge share in economic growth like Defence, Railway, Automobile, Heavy Engineering, Mining, Construction, Oil & Gas, Power Transmission and many more. The Indian Forging Industry having installed capacity of around 38.5 Lakhs MT is equipped to forge a huge range of components out of ferrous & non-ferrous metals. But the Indian Forgings Industry has its own share of troubles with raw materials prices refusing to relent and customer demanding very competitive pricing on forged products. Thus, the industry has to reinvent its process systems keeping in demand with competitive pricing and high quality demands of the end user market. It is a challenging time for the Indian Forging Industry as financing from banks come with many riders and stricter compliances. Good quality raw material procurement is a major challenge which was hit hard during FY 2020-2021 where in Government imposed ban of industrial use of Oxygen to cater the raising needs of oxygen for medical purpose; thus resulting into shutting of major steel plants during the year. Pricing too from steel mills have not softened. Cash flow is the biggest threat due to the Pandemic. Receivables are under great pressure due to the overall effect on all industries globally and domestically and especially due to the pandemic. There will definitely be a major shake-up in the Indian Forging industry.

However, with number of incentives and scheme being introduced to support the manufacturing industries coupled with largest vaccination drive across the country, there is hope for positive period of growth ahead. The spill over effect will benefit India substantially. The Make in India and Atmanirbhar Bharat initiative will further boost the Indian business environment in turn the Forging Industry.

Outlook:

We have confidence in the future of the Indian Economy with notable initiatives as special package under Atmanirbhar Bharat, liquidity support for banks and financial institutions, liberalisation of FDI norms, Production linked incentives. Looking ahead with economy recovering faster than expectation things will improve consumption will increase. As India has been

gearing up for Make in India, the efforts will start yielding results. The Government is making some serious changes in the right direction this will add to growth in Infrastructure. Better manufacturing practices and global adaptation of quality requirements will catapult Indian business to the next level. IMF estimates, Indian GDP growth to be 12.5 percent in 2021 and be stable at 6.9 percent in 2022.

Opportunities and Threats:

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

The slowdown in Automobile Industry will have a long-term impact on the Forging Industry. The oncoming of the EV will also impact the industry in a big way. Cheaper credit and easily available finance remains a big challenge and definitely hamper growth and the bottom line. Extending payment terms and overdue receipts add to the financial cost which is a major issue for the existence of smaller players.

COVID-19 impact is currently the biggest threat to Company as well as Indian economy, which has caused uncertainty all over.

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

Major Risk factors are –

- Dependency on Oil and Gas industry.
- Availability of Good quality Raw material at competitive pricing and on time delivery.
- Shortage of skilled workforce in the forging Industry.
- The Current Pandemic and uncertainty of a third wave.
- Post Pandemic recovery
- Cash Flow and Finance Cost.

We at Rajkumar Forge, we are constantly reviewing the situation to take on any eventuality. A constant analysis and planning is in place which includes diversification of business into multiple industries, Good relations being maintained by promoters with majority steel suppliers being advantage to the Company and helps to mitigate to greater extent the raw material procurement risk, having encouraging work environment and optimum utilisation of resources shall be key to mitigate all the above risks.

Internal Control Systems and their adequacy:

Rajkumar Forge is a system driven organisation. Regular Internal audits from the external Chartered Accountants Firm are carried out in all functions of the company. There is no qualifications or discrepancy reported in the Internal Audit Report.

Financial and Operational Performance:

A very tight control is maintained on the cash flow of the Company. Constant efforts are made to recover dues on time. We have paid back our loans and reduced the dependency on cash credit. Creditors are paid in time and constant cost cutting measures are in place.

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

Manpower Developments and Human Resource / Industrial Relations:

The company is constantly upgrading the skills of the employees through training. New talent is being introduced in the team to enhance performance and bring in new thoughts. At Rajkumar Forge, we have a very good working relationship with the workers. The atmosphere is cordial and very conducive. The performance are bottom driven through a very highly motivated workforce. We have successfully completed yet another three-year agreement with the Union which will ensure a peaceful and positive working environment for some time.

Rajkumar Forge during the year has been very concerned for the safety of its employees and with the same motive the Company has introduced work from home facilities to the employee wherever possible. During the year company has also conducted periodic health check-up and various awareness drives wherein employees were made aware of precautions they should follow for their own safety and reduce the risk of being infected by the virus.

Medium and Long Term Strategy:

Keeping in view of the recently changed environment under the Pandemic. The management hold an optimistic view due to the uncertainty in the business Outlook. There will be a cautious approach to additional capacity planning and implementation. The management will focus on consolidation and utilisation of its existing capacities to the maximum to cost effectively add to the bottom line.

Key Financial Ratios:

Sr. No.	Ratios	March 31, 2021	March 31, 2020	% Change	Explanation for significant change
1	Debtors Turnover Ratio	2.97	3.66	-18.85	No significant change
2	Inventory Turnover Ratio	5.2	7.81	-33.42	Inventories piled up resulting into increase in average inventory due to strict lockdown imposed by Government along with number of restrictions and guidelines.
3	Interest Coverage Ratio	11.17	11.15	0.18	No significant change
4	Current Ratio	2.31	1.7	35.88	Repayment of bank liabilities led to reduction in current liabilities thereby increasing the current ratio.
5	Debt Equity Ratio	0	0.62	-100.00	Company has paid off all the bank liabilities from the cash surplus generated out of its business operations.
6	Operating Profit Margin (%)	0.12	0.12	0.00	No significant change
7	Net Profit Margin (%)	0.09	0.09	0.00	No significant change
8	Return on Net Worth	0.12	0.17	-29.41	During the year under review, there was an impact on the turnover by around 20% due to COVID-19 Pandemic. Fixed cost remaining constant with no pay cut of any workers/employees, there is an impact on net profit visa vis previous year. We would like to highlight here that Company has a sturdy growth pattern over last 4 financial years.

Cautionary Statement:

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

BOARDS' REPORT

Dear Members,

Your directors are pleased to present the 31st Annual Report of Rajkumar Forge Limited ("the Company") along with the Audited Financial Statements for the financial year ended March 31, 2021.

1. FINANCIAL HIGHLIGHTS:

(₹ in Lakhs)

Particulars	Financial Year 2020-21	Financial Year 2019-20
Revenue from Operation (Net of Taxes)	4044.30	5087.76
Other Income	17.54	11.62
Total Income	4061.84	5099.38
Expenses excluding Finance Cost and Depreciation & Amortization Expenses	3404.81	4349.85
Profit for the year before Interest, Depreciation & Amortization	657.03	749.53
Finance Cost	62.15	55.69
Depreciation & Amortization Expenses	155.85	135.24
Profit for the year before exceptional items and tax	439.04	558.60
Exceptional Items	0.00	0.00
Profit before Tax	439.04	558.60
Tax Expenses		
• Provision for Income Tax	73.28	93.62
• Deferred Tax	7.61	7.88
Profit for the Year	358.14	457.10
Earnings Per Share		
• Basic	3.27	4.18
• Diluted	3.27	4.18

3. OPERATIONS AND STATE OF AFFAIRS:

The Global economy as well as Indian economy has been suffering from the pandemic caused due to COVID-19 virus for more than a year and its ill effects are continuing. Pandemic has also adversely affected the manufacturing sector and consequently performance of your Company.

Your Company's total revenue from operations stood at ₹ 4044.30 Lakhs as against ₹ 5087.76 Lakhs in the previous year. Though the total revenue suffered a setback, your Board has, with periodic monitoring of the situation and by taking all the required measures and steps to use the resources efficiently coupled with keen focus on timely deliveries and customer satisfaction has managed to keep the operations well above the breakeven level. The Company has achieved net profit for the current fiscal of ₹ 358.14 Lakhs as against ₹ 457.10 Lakhs in the previous year.

Your Board is pleased to inform you that the affairs of the Company are functioning smoothly and appropriately in compliance with all the applicable laws and regulations.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), is separately set out and forms part of this Annual Report.

2. IMPACT OF COVID 19:

The COVID-19 pandemic has emerged as a global challenge, which has led to unprecedented socio-economic disruption worldwide. In Calendar Year 2020 when the COVID-19 pandemic's first wave broke out; nationwide strict lockdown was imposed from March 24, 2020, which brought all economic activities to a standstill. The Company was forced to temporarily suspend its operations at its Plant located at Chakan, Pune from March 22, 2020, in compliance with directives issued by Government and keeping in mind the safety of employees. The Registered Office of the Company was also shut down from March 23, 2020. Lockdown and various restrictions on activities across the country and the globe have posted major challenges to the business of the Company.

While the Company could get approvals / permissions from local authorities to restart the operation from May 04, 2020, subject to certain guidelines/restrictions. The demand for the forgings was severely impacted as key sectors to which the Company caters were adversely effected owing to weakening economic activities and number of restrictions imposed to curb the spread of COVID-19 Pandemic. Your Board has and shall continue to closely monitor the situation. The Board continues to take appropriate measures to ensure minimalistic impact on its operations, taking into consideration the safety and health of all its employees thereby protecting the interest of all the stakeholders of the Company at large.

Further, during the first quarter of financial year 2021-22, the second wave of COVID-19 broke out in India which has deepened the health crises in the Country with all time high positivity as well as mortality rates. Consequently, the economic activities were slowed down and may affect the performance of the Company in near future.

Amidst the challenging situations imposed by waves of COVID-19 Pandemic, Your Company managed to continue its operations efficiently.

4. DIVIDEND:

Given the uncertain economic outlook and with the view to conserve the resources in long run, the Board has not recommended any Dividend for financial year ended March 31, 2021.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During financial year 2020-21, there was no change in the nature of Company's business.

6. 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.

7. TRANSFER TO RESERVES:

The Board of Directors have decided to retain the entire amount of profit for financial year 2020-21 in the statement of profit and loss. The Company has not transferred any amount to General Reserves during financial year 2020-21

8. PUBLIC DEPOSITS:

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

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts/ arrangements/ transactions entered by the Company during the financial year 2020-21 with related parties were on an arm's length basis and were in the ordinary course of business. Such transactions form part of the notes to the financial statements provided in this Annual Report. All Related Party Transactions ("RPTs") are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the RPTs which are repetitive in nature or when the need for these transactions cannot be foreseen in advance. On a quarterly basis, details of such transactions were placed before the audit committee for noting/review.

The information for related party transactions as required under Rule 8(2) of the Companies (Accounts) Rules, 2014 in prescribed Form AOC-2 is enclosed as '**Annexure A**' to this Report. Your attention is drawn to the Related Party disclosures set out in Note no. 43, of the Standalone Financial Statements.

The Company has already adopted a Policy for dealing with Related Party Transactions which is subject to review and revision of Audit Committee and Board. The revised and updated policy on Related Party Transaction as approved by the Board has been displayed on the Company's website at <https://rkforge.in/wp-content/uploads/2021/07/Related-Party-Transaction-Policy-Version2-w.e.f-03.06.2021.pdf>

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

There has been no material change and commitment affecting the financial position of your Company which has occurred between end of financial year of the Company to which the financial statements relate and the date of this Report.

11. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANY:

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

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

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

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

14. 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 takes 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.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**DIRECTORS**

During the year, your Company has optimum combination of executive as well as non-executive Directors in compliance with Regulation 17 of the Listing Regulations as amended from time to time.

Board of Directors of the Company as on March 31, 2021:

Sr. No.	Name	Designation	Category
1	Mr. Arun Krishankumar Jindal	Chairman	Non-Executive, Non-Independent
2	Mr. Nitin Shyam Rajore	Whole Time Director	Executive Director
3	Mr. Ratanlal Tikaram Goel	Non-Executive Director	Non-Executive, Independent
4	Ms. Sudha Santhanam	Non-Executive Director	Non-Executive, Independent

During the year under review there was no change in the composition of Board of the Company.

Re-appointments

- Director liable to retire by rotation**

As per the provisions of the Act, Mr. Arun K Jindal (DIN: 00121523) Chairman and Non-Executive Director, is liable to retire at the ensuing Annual General Meeting ("AGM"), being eligible, seeks reappointment. Based on performance evaluation, candidature received from holding Company and the recommendation of the nomination and remuneration committee, the Board recommends his reappointment. The notice convening the 31st AGM to be held on September 20, 2021 sets out the details.

- Re-appointment of Whole Time Director**

Mr. Nitin Rajore (DIN: 01802633) was appointed as Whole Time Director ("WTD") for the first term of five years effective December 01, 2016. His term as WTD shall expire with effect from close of business hours of November 30, 2021. After considering the performance evaluation of his first term of five years as director and considering the knowledge, acumen, expertise, experience and the substantial contribution to the business, the Nomination and Remuneration Committee ("NRC") has recommended the appointment of Mr. Rajore to the Board for second term of five years. Considering recommendation of NRC, The Board at its meeting held on June 26, 2021, approved and recommended the reappointment of Mr. Rajore as Executive Director to be designated as Whole-Time Director of the Company w.e.f December 01, 2021 to November 30, 2026, who shall be liable to retire by rotation. The Board recommends his reappointment to the shareholders. Company is also in receipt of the notice in writing under Section 160(1) of the Act from member proposing his candidature for the office of Executive Director. The notice convening the 31st AGM to be held on September 20, 2021 sets out the details.

- Reappointment of Independent Director**

- Mr. Ratanlal Tikaram Goel (DIN: 07663394) was appointed as an independent director for the first term of five years effective December 01, 2016. He is due for retirement with effect from close of business hours of November 30, 2021. After considering the performance evaluation, the knowledge, acumen, expertise, experience and the substantial contribution by Mr. Goel to the Company during his first term of five years, the

NRC has recommended the appointment of Mr. Goel to the Board for second term of five years. Considering recommendation of NRC, The Board at its meeting held on June 26, 2021, approved and recommended the reappointment of Mr. Goel as Independent Director of the Company w.e.f December 01, 2021 to November 30, 2026, who shall not be liable to retire by rotation. The Board recommends his re-appointment to the shareholders. Company is also in receipt of the notice in writing under Section 160(1) of the Act from member proposing his candidature for the office of Independent Director. The notice convening the 31st AGM to be held on September 20, 2021 sets out the details.

- ii. Ms. Sudha Santhanam (DIN: 06579108) was appointed as an independent director for the first term of five years effective May 15, 2017. She is due for retirement with effect from close of business hours of May 14, 2022. After considering her performance evaluation, the knowledge, acumen, expertise, experience and the substantial contribution made by Ms. Santhanam to the Company during her first term of five years, the NRC has recommended re-appointment of Ms. Santhanam to the Board for second term of five years. Considering recommendation of NRC, The Board at its meeting held on June 26, 2021, approved and recommended the reappointment of Ms. Santhanam as Independent Director of the Company w.e.f May 15, 2022 to May 14, 2027, whose office shall not be liable to retire by rotation. The Board recommends her re-appointment to the shareholders. Company is also in receipt of the notice in writing under Section 160(1) of the Act from member proposing her candidature for the office of Independent Director. The notice convening the 31st AGM to be held on September 20, 2021 sets out the details.

KEY MANAGERIAL PERSONNEL:

In terms of section 203 of Act, following are the Key Managerial Personnel of the Company

Sr. No.	Name	Designation
1	Mr. Nitin Rajore	Whole Time Director
2	Mr. Shubham Jindal	Chief Financial Officer
3	Mr. Satish Chandrashekhar Kadrolli	Company Secretary & Compliance Officer

Changes in Key Managerial Personnel During the year

Ms. Shruti Patil, resigned from the post of Company Secretary & Compliance Officer w.e.f October 28, 2020 to pursue other opportunities. Mr. Satish Chandrashekhar Kadrolli was appointed by the Board as Company Secretary & Compliance Officer of the Company w.e.f November 07, 2020. Relevant disclosures as per Regulation 30 are available of the Company's website.

16. DETAILS OF BOARD MEETINGS:

The Board met five (5) times during the financial year. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Act/ the Listing Regulations except the gap between last meeting of financial year ended March 31, 2020 and first board meeting of the financial year under review which was pursuant to the relaxation provided by SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/ 2020/38 dated March 19, 2020 along with MCA General Circular No. 11/2020 dated March 24, 2020.

17. COMMITTEES OF THE BOARD:

As on March 31, 2021, the Board had six committees: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholder Relationship Committee, the Share Transfer Committee, the Committee for issue of Duplicate Share Certificate and Corporate Social Responsibility Committee.

During the year under review Company had constituted Corporate Social Responsibility ("CSR") Committee in compliance with section 135 of the Act and applicable rule, but pursuant to amendments in the CSR Rules as well as in section 135 of Act, in the month of January 2021 which dispensed the requirement of constituting of CSR Committee for the Companies whose CSR commitment as per the Act does not exceed Rs. 50,00,000 (Rupees Fifty Lakhs). Accordingly, for administrative convenience Board in its meeting held on June 26, 2021, dismantled the said CSR Committee. All the responsibilities of erstwhile CSR Committee which has been specified by under the Act and rules thereunder shall be discharged by the Board of Directors of the Company.

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

18. CONTRIBUTION OF INDEPENDENT DIRECTORS TO THE GROWTH OF THE COMPANY:

The Board of Directors of the Company strategically comprises of Independent Directors which adds value to the Company. Every Independent Director with his/her expertise and integrity has earned a vast experience and reputation in the industry. Our both Independent Directors are Qualified Chartered Accountants and Company secretaries and are experts in Finance, Company Laws, Information Technology, Commercial Laws, Corporate Governance and Audit. These expertise helps the board to ensure that Company is at par with the global benchmarks in terms of ethics, corporate governance, best industry practices and transparency. In addition their wealth of experience in the corporate world ensures that the company benefits significantly from their advice.

19. DECLARATION BY INDEPENDENT DIRECTORS:

During the year under review, The Company has received necessary declarations from each of the Independent Directors as required under Section 149(7) of the Act and regulation 25(8) of SEBI LODR 2015, that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR, 2015.

The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

20. FORMAL ANNUAL EVALUATION:

Pursuant to the provisions of Act and the Listing Regulations and as per the guidance note issued by SEBI on January 05, 2017, the Board has carried out an Annual Evaluation of its own performance, performance of individual directors and working of its committees. The summary of the evaluation reports was presented to the respective Committees and the Board. Way 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.

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

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

22. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)
a. Transfer of unclaimed Dividend to IEPF

The sum of ₹ 12,48,300/- being the amount of unpaid or unclaimed dividend for a period of seven years, being the unclaimed dividend for the period upto FY 2012-13, was transferred during the financial year 2020-21 to the Investor Education and Protection Fund (IEPF) established by the Central Government in compliance with Section 124 of the Act.

b. Transfer of shares to IEPF

During the year under review, the Company has transferred 1,02,000 shares to the IEPF in accordance with the provisions of Section 124 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'). Details of shares transferred to IEPF have been uploaded on the website of IEPF as well as the Company.

23. CORPORATE GOVERNANCE CERTIFICATE:

The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing Regulation are complied with. As per Regulation 34(3) Read with Schedule V of the Listing Regulations, a separate section on corporate governance, together with a certificate from the Company's Secretarial Auditors, forms part of this Report.

24. ANNUAL SECRETARIAL COMPLIANCE REPORT:

Pursuant to SEBI Circular CIR/CFD1/27/2019 dated February 08, 2019, all listed entities shall, additionally, on annual basis, submit a report to the stock exchange(s) on compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder within 60 days of end of financial year. Such report shall be submitted by Company Secretary in practice to the Company in the prescribed format.

The Company has received such report from Ms. Swati Bapat, Partner - M/s. MSN & Associates, Company Secretaries, Pune for the financial year ended March 31, 2021 and it has been submitted to the stock exchange within the stipulated

extended timeframe as per SEBI circular No. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated April 29, 2021. Copy of the said report is available at BSE website (www.bseindia.com) and also on the Company's website: https://rkforge.in/wp-content/uploads/2021/07/RFL_Secretarial-Compliance-Report_FY-2020-2021.pdf

25. ANNUAL RETURN:

As per the requirement of Section 92(3) read with section 134(3)(a) of the Act, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the weblink: <https://rkforge.in/wp-content/uploads/2021/08/RFL-Draft-MGT-7-FY-2020-2021-1.pdf>

26. AUDITORS:

a. 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 AGM 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.

Vide notification dated May 07, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each Annual General Meeting has been done away with. Accordingly, the shareholders at their 28th AGM had given their consent to continue the appointment of M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants (Firm Registration No. 103277W) as Statutory Auditors of the Company for the remaining of term without any further ratification by the members in terms of the provisions of the Act. The Company has received a certificate from M/s. Gokhale, Tanksale & Ghatpande, Chartered Accountants confirming that they are not disqualified from continuing as Statutory Auditors of the Company.

The Independent Auditors' Report for the financial year 2020-21 on the financial statement of the Company forms part of this Annual Report.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors' in their audit report on the financial statements for the year ended March 31, 2021. The observations of the Statutory Auditors' in their Report are self-explanatory and therefore Directors don't have any further comments to offer on the same.

b. Secretarial Auditors

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Mr. Nishad Umranikar, Practicing Company Secretary, Pune (Partner of MSN Associates, Company Secretaries) for conducting the Secretarial Audit of the Company for the financial year 2020-21.

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

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors in their audit report for the year ended March 31, 2021.

Pursuant to recent amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. LIST/ COMP/14/2018 dated June 20, 2018, a certificate from MSN Associates, Company Secretaries, Pune that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority is annexed to Corporate Governance Report.

c. Cost records /Cost Audit:

In terms of provisions of Section 148 of the Act read with Rule 3 of Companies (Cost Record and Audit) Rules, 2014, the Company is required to maintain the cost records and as such the same are maintained for the financial year 2020-21.

d. Internal Auditors:

The Company had appointed M/s. S A N N & Co., Chartered Accountants, as Internal Auditors of the Company for the financial year 2020-21. The scope and authority of the Internal Auditor is as per the terms of reference approved by Audit Committee. The Internal Auditors monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

27. REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the Statutory Auditors', Internal Auditors nor the Secretarial Auditors has reported to the Audit Committee, under Section 143 (12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

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

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

29. INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

30. RISK MANAGEMENT:

The details of Risk Assessment framework are set out in the Corporate Governance Report forming part of the Board's Report.

31. MANAGERIAL REMUNERATION:

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

32. PARTICULARS OF EMPLOYEES:

Information required under Section 197(12) of the Act 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 employees who have received remuneration in excess of the limits prescribed therein.

33. 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 Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed herewith as 'Annexure D' to this report.

34. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company is compliant with all the applicable mandatory Secretarial Standards issued by The Institute of Company Secretaries of India.

35. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Provisions of CSR have become applicable to the Company during the financial year under review, and accordingly your Company has formulated CSR policy and also constituted CSR Committee (which was subsequently dismantled with effect from 26th June 2021) to guide, recommend to board CSR activities and monitor Company's responsibility towards Society. Company's guiding principle for CSR is to build a Sustainable Society and to contribute to the long-term social welfare of the society Accordingly, your Company has been carrying out the CSR Activities which were within the scope of Company's CSR Policy.

In Compliance of the Section 135 of the Act read with CSR Rules as amended and applicable from time to time, Detailed Annual Report on CSR Activities undertaken by the Company during the year is given as 'Annexure E'. Company's updated CSR Policy is disclosed on the website of the Company:

https://rkforge.in/wp-content/uploads/2021/07/RFL_Corporate-Social-Responsibility-Policy-Version-1-w.e.f-03.06.2021.pdf

36. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has set up vigil mechanism viz. Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their genuine concerns, unethical behavior, actual or suspected fraud, irregularities or violation of Company's Code of Conduct, 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 and also provides direct access to the Chairman of the Audit Committee. The details of the same are explained in the Corporate Governance Report and also posted on the website of the Company at:

<https://rkforge.in/wp-content/uploads/2021/07/Whistle-Blower-Policy.pdf>

All Directors and employees have access to the Chairman of the Audit Committee. The policy with the name and address of Chairman of the Audit Committee has been circulated to the employees. Further no personnel have been denied access to the Audit Committee during the period under review. The vigil mechanism is overseen by the Audit Committee and your Company is happy to inform that during the year, there has been no Complaints received by the Audit Committee.

37. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:

Your Company has adopted policy on prevention, prohibition and redressal of sexual harassment at workplace, in line of the provisions of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The policy aims to provide protection to employees at the workplace 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 secure. The company has not received any complaints during the financial year 2020-21.

38. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR:

During the year, the Company has not made any application nor there is any proceeding pending under the Insolvency and Bankruptcy Code, 2016 as at the end of the financial year.

39. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the year, the Company has not initiated One Time Settlement with the Banks or Financial Institutions and therefore no details are required to be furnished.

40. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 (5) of the Act with respect to Directors' Responsibility Statement, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. that they have 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 profit of the Company for that period;
- iii. that they have 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;
- iv. that they have prepared the annual accounts on going concern basis;
- v. that they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- vi. that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

41. ACKNOWLEDGEMENT:

The Directors record their appreciation to all employees and workers of the Company at all levels for their hard work, dedication and commitment which has been key to our successful navigation of the challenges we have faced this year. The directors also place on record, their appreciation and gratitude for all the co-operation extended by Government authorities, regulators, Bankers, Business Associates and investors and all other stakeholders.

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

Place: Pune
Date: June 26, 2021

Arun Jindal
Chairman
DIN : 00121523

Nitin Rajore
Whole Time Director
DIN : 01802633

Annexure A
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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 Forging Private Limited including Kran Rader (A division of Western India Forging Private Limited)	Orient Precision Engineering Private Limited
2	Nature of relationship	Holding Company	Fellow Subsidiary Company
3	Nature of contract/ arrangement/transaction	a. Sale / purchases of forgings, payment of Labour charges. b. Payment of rent. c. Payment of Commission on sales.	Sale / purchases of forgings, payment of Labour charges.
4	Duration of contract/ arrangement/ Transaction	a. As per the purchase order. b. On-going basis, as per the Office Space Sharing Agreement dated January 01, 2019, tenure commencing from January 01, 2019. c. As per the terms, the Selling Agent Agreement dated June 01, 2019 is valid for a period of 3 years commencing from June 01, 2019.	As per the purchase order.
5	Salient terms of the contract or arrangement or transaction	a. Payment conditions, terms of delivery, applicability of taxes shall be as per the purchase order. b. Monthly license fees of ₹ 35,000/- for Office Space and amenities. c. Terms as per the Selling Agent Agreement dated June 01, 2019 executed between the parties. Estimated aggregate value of transaction to which Omnibus approval granted by Audit Committee and Board for the FY 2020-21: ₹ 35,00,00,000 (Rupees Thirty Five Crores).	Payment conditions, terms of delivery, applicability of taxes shall be as per the purchase order. Estimated aggregate value of transaction to which Omnibus approval granted by Audit Committee and Board for the FY 2020-21: ₹ 2,00,00,000 (Rupees Two Crores).
6	Date of approval by the Board, if any	27.06.2020	27.06.2020
7	Amount paid as advances, if any	NIL	NIL

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

Place: Pune
Date: June 26, 2021

Arun Jindal
Chairman
DIN : 00121523

Nitin Rajore
Whole Time Director
DIN : 01802633

Annexure B
Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED March 31, 2021

*[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 and Pursuant to Regulation 24A of SEBI
(Listing Obligation and Disclosure Requirements) Regulations, 2015]*

To,
The Members,
Rajkumar Forge Limited
Office No 511 to 513, Global Square,
S. No. -247, 14B, Yerawada,
Pune 411 006

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, 2021 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, 2021 according to the provisions of:

- (i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations, wherever 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) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018:
(not applicable to the Company during the Audit Period);
 - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014:
(not applicable to the Company during the Audit Period);
 - e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:
(not applicable to the Company during the Audit Period);
 - f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - g) Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016:
(not applicable to the Company during the Audit Period); and
 - h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 :
(not applicable to the Company during the Audit Period).
- (vi) I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically 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;
- ii. The Listing Agreement entered into by the Company with Stock Exchange 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. We further report that:

1. The newspaper advertisement and the transfer of equity shares to IEPF in terms of Section 124 of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 have been done beyond the prescribed time.

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.

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.

**For MSN Associates
Company Secretaries**

**SD/-
Nishad Umranikar
Partner**

Membership No. FCS 4910

C.P. No. 3070

UDIN: F004910C000523098

Place: Pune

Date: 26/06/2021

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’

To,
The Members,
Rajkumar Forge Limited
Office No. 511 to 513, Global Square,
S. No. – 247, 14B, Yerawada,
Pune 411006

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 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. I believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for me to provide a basis for my opinion.
4. Wherever required, I 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.

**For MSN Associates
Company Secretaries**

**SD/-
Nishad Umranikar
Partner**

Membership No. FCS 4910
C.P. No. 3070
UDIN: F004910C000523098

Place: Pune
Date: 26/06/2021

Annexure C

DISCLOSURES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH 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 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the financial year 2020-21:

Sr. No.	Name of Director/KMP	Designation	Ratio of the Remuneration of each Director / Chief Financial Officer / Company Secretary to Median Remuneration of Employees	% increase in the remuneration of each Director / Chief Financial Officer / Company Secretary
1	Mr. Nitin Rajore	Whole Time Director	10.55	10
2	Mr. Arun Jindal	Non-Executive Chairman	0.72	11.11
3	Mr. Ratanlal Goel	Independent Director	0.72	11.11
4	Ms. Sudha Santhanam	Independent Director	0.72	11.11
5	Mr. Shubham Jindal	Chief Financial Officer	1.74	10
6	Mr. Satish Kadroli (w.e.f Nov 07, 2020)	Company Secretary & Compliance Officer	0.66	-
7	Ms. Shruti Patil (upto Oct 28, 2020)	Company Secretary & Compliance Officer	1.70	7.8

(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).

2. The percentage increase in the median remuneration of employees in the financial year: 10%
3. The number of permanent employees on the roll of Company : 69 employees.
4. Average percentiles 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 6-12 per cent, depending upon the position held and seniority. The increments given to each individual employee is based on the employees' performance and retention & motivation policy 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.
6. Details of employees who received remuneration in excess of ₹ One crore and Two lakh or more per annum:
- During the year, none of the employees received remuneration in excess of ₹ 102.00 Lakh or more per annum or ₹ 8.50 Lakhs per month for part of the year. In accordance with the provisions of Section 197 of the Act read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, therefore there is no information is available to disclose.
 - During the year, none of the employees received remuneration in excess of that drawn by the Whole-time director and none of the employees hold two percent of the equity shares of the Company.

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

Place: Pune
Date: June 26, 2021

Arun Jindal
Chairman
DIN : 00121523

Nitin Rajore
Whole Time Director
DIN : 01802633

Annexure D
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	Your Company has continuous endeavor to conserve all type of energies and has implemented necessary measures to improve utilization and eliminate wastages.
(ii)	the steps taken by the company for utilizing alternate sources of energy	Your Company is in the process of exploring alternate sources of energy in place of traditional resources like gas and electricity.
(iii)	the capital investment on energy conservation equipment's	Nil

(b) Technology absorption

(i)	the efforts made towards technology absorption	Current technology used by the Company is fully absorbed.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Company has adopted continual improvement program for product improvement and cost reduction so as to achieve competitive edge in the business.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import; (a) whether the technology been fully absorbed (b) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
(iv)	the expenditure incurred on Research and Development	Nil

(c) Foreign exchange earnings: ₹ 172.36 Lakhs

Foreign exchange Outgo: ₹ 247.10 Lakhs.

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

Place: Pune
Date: June 26, 2021

**Arun Jindal
Chairman
DIN : 00121523**

**Nitin Rajore
Whole Time Director
DIN : 01802633**

Annexure E
THE ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2020-21

[Pursuant to section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

Rajkumar Forge Limited ("RFL/Company") strongly believes that Company should make decisions based not only on financial factors, but also on the social and environmental consequences. In light of this statement, RFL has always believed that the business activities of the Company do have a significant impact on the society in which it operates; therefore at RFL we give due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities, other organizations and society at large. RFL also believes that Corporate Social Responsibility ("CSR") is the way through which a Company achieves a balance between Economic, Environmental and Social Imperatives, at the same time integrating its business values and operations to meet the expectations of the Shareholders, Stakeholders and Society at large.

2. Composition of CSR Committee:

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The composition of CSR Committee and number of meetings held during FY 2020-21 is elaborated below:

Sr. no.	Name of Director	Designation / Nature of directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Nitin Rajore	Chairman; Executive Director	1	1
2	Mr. Arun Jindal	Member; Non-Independent Non-Executive Director		1
3	Ms. Sudha Santhanam	Member; Independent Director		1

3. Web links where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

- The composition of the CSR committee is available on our website, at <https://rkforge.in/committee/>
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at https://rkforge.in/wp-content/uploads/2021/07/RFL_Corporate-Social-Responsibility-Policy-Version-1-w.e.f-03.06.2021.pdf
- The Board, based on the recommendation of the CSR committee, at its meeting held on November 07, 2020, has approved the CSR Budget for fiscal 2020-2021, the details of which are available on our website, at https://rkforge.in/wp-content/uploads/2021/07/RFL_Corporate-Social-Responsibility-Policy-Version-1-w.e.f-03.06.2021.pdf

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : NIL
6. Average net profit of the Company for last three financial years: ₹ 3,39,60,719/-
7. Prescribed CSR Expenditure:

- Two percent of average net profit of the company as per section 135(5): 6,79,214/-
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil
- Amount required to be set off for the financial year, if any: Nil
- Total CSR obligation for the financial year (7a+7b-7c). ₹. 6,79,214/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.(in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
6,87,610	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

The Company has not spent any amount against ongoing projects in the financial year under review.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sr. No	Name Of the Project	Item from the List of activities in Schedule VII to the Act.	Local Area (Yes/ No)	Location of the Project		Amount Spent for the Project (in Rs.)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation Through Implementing Agency	
				State.	Dist.			Name	CSR Reg. No.
1	Digitalization of education by installing 16 LCD projectors with software at Navmaharashtra Vidyalaya, Kharabwadi, Pune	(ii)	Yes	MH	Pune	2,50,000	No	Kharabwadi Shikshan Prasarak Mandal's Navmaharashtra Vidyalaya	NA
2	Borewell at School Navmaharashtra Vidyalaya, Kharabwadi, Pune at the request of Kharabwadi Shikshan Prasarak Mandal	(iv) and (ii)	Yes	MH	Pune	1,44,110	Yes	NA	NA
3	For helping underprivileged girls for tuition fees and school fees	(ii)	Yes	MH	Pune	1,00,000	No	Rotary club of Poona Airport Charitable Trust	NA
4	Streetlights at Crematory Shel Pimpal Gao, Khed, Pune- At request from Gram panchayat Shel Pimpalgaon	(i) and (v)	Yes	MH	Pune	61,500	Yes	NA	NA
5	Civil/Tiling Work of Public School named Shalinitai Patil High School (Varud, Satara)	(ii)	Yes	MH	Sa-tara	70,000	No	IFellow Foundation, as section 8 Company under Companies Act, 2013	NA
6	Providing education useful kits for Underprivileged/ orphan children at Shel Pimpalgaon	(iii)	Yes	MH	Pune	32,000	Yes	NA	NA
7	Promoting health care including preventive health care	(i)	Yes	MH	Pune	30,000	No	Rotary club of Pune Central Charity Trust	NA

- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Nil
- (f) Total amount spent for the Financial Year (6b+6c+6d+6e) Rs. 6,87,610/-
- (g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	6,79,214
(ii)	Total amount spent for the Financial Year	6,87,610
(iii)	Excess amount spent for the financial year [(ii)-(i)]	8,396
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	8,396

9. (a) Details of Unspent CSR amount for the preceding three financial years:

The CSR provisions u/s 135 of the Companies Act, 2013 were not applicable to the Company for immediately three preceding financial years.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

The CSR provisions u/s 135 of the Companies Act, 2013 were not applicable to the Company for immediately three preceding financial years.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- Date of creation or acquisition of the capital asset(s): Nil
- Amount of CSR spent for creation or acquisition of capital asset: Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

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

Place: Pune
Date: June 26, 2021

Arun Jindal
Chairman
DIN : 00121523

Nitin Rajore
Whole Time Director
DIN : 01802633

REPORT ON CORPORATE GOVERNANCE

In compliance with the provisions of Regulation 34 read with Part C of Schedule V of Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company submits the Report on Corporate Governance for the financial year ended March 31, 2021 containing the matters as specified in the said Regulations with respect to Corporate Governance Requirements.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Rajkumar Forge believes that effective Corporate Governance Practices are must for maintaining sustained growth and for enhancing shareholder value. The Board has defined a set of Corporate Governance best practices and guidelines to help fulfill our Corporate Responsibility towards our Stakeholders. We ensure fairness for every Stakeholder comprising our customers, investors, vendors, regulators, communities and Society where we operate, through Transparency and Accountability, the two basic principles of Corporate Governance. We strive to ensure that our performance is driven by integrity, values and ethics for the betterment of Stakeholders at large. The Directors and the Senior Management of Rajkumar Forge conducts a Periodic Review to ensure Responsiveness to the Needs and Demands of the Stakeholders. The Company has guiding principles laid out through its Code of Business Conduct, duly adopted and adhered to by the Board of Directors and Senior Management Personnel which has been posted on Website of Company.

The Company also believes that good Corporate Governance is a key to preserve and enhance trust bestowed by the investors and ensures long term relationship with other stakeholders which shall ultimately help the Company to achieve its objectives in the long run and strengthening the relations.

The Company makes timely and transparent disclosures regarding financial positions, performances and other related matters to SEBI and Ministry of Corporate Affairs and is in compliance with all mandatory requirements of Corporate Governance laid down under the Listing Regulations.

2. 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 on its Board as on March 31, 2021 comprising of one Executive Director holding office of Whole-Time Director and Three Non-Executive Directors, one of whom is a Chairman and Promoter and other two being Independent Directors and one of whom is a Woman Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations, read with Section 149 of the Companies Act, 2013 ("the Act") as amended from time to time.

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. The Executive Directors do not serve an Independent Directorships in any of the Listed Entities. 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.

The name and categories of the Directors on the Board, their attendance at the Board Meetings held during the year 2020-2021, the last Annual General Meeting held on Friday, September 18, 2020 and the number of Directorships and Committee Chairmanships/Memberships held by each one of them in other Indian Public Limited Companies as on March 31, 2021, are given herein below.

Other Companies do not include directorships of private limited companies, foreign companies and companies registered u/s 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

Name	Category	Number of Board Meetings held during the Financial Year 2020-21			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
Mr. Arun Jindal	Chairman and Non-Executive Director	5	5	5	Yes	-	-	-
Mr. Nitin Rajore	Executive Director	5	5	5	Yes	-	-	-
Mr. R. T. Goel	Non-Executive Independent Director	5	5	5	Yes	-	-	-
Ms. Sudha Santhanam	Non-Executive Independent Director	5	5	5	Yes	-	-	-

• **Independent Directors:**

Independent Directors are non-executive directors as defined under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that:

- They meet the criteria and fulfil the conditions specified in the Listing Regulations and Section 149 of the Act and are independent of the management.
- They are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence.
- Not being a director in more than ten public companies (to a limit of eight listed companies) and ten private companies, aggregating to not more than twenty companies. Further, confirmation from Independent Director to adhere to this requirement for FY 2020-21 as well.

The Board confirms that the Independent Directors fulfil the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

• **Meetings of the Board of Directors:**

The Notice of the Scheduled Meeting is sent to the concerned Directors well in advance. The Company Secretary intimates the date of the Board Meetings and its outcome to concerned Stock Exchange as stated in Regulation 30 read with Part A of Schedule III of the Listing Regulations. The Company is also equipped with Video Conferencing Facilities if any of the Director wishes to attend the meeting virtually; however, all the Board Meetings were conducted in physical presence of all the Directors.

During the Financial Year 2020-21, Board of the Company met Five (5) times on June 27, 2020, August 08, 2020, September 05, 2020, November 11, 2020 and February 06, 2021. The necessary quorum was present at all the Board Meetings.

The gap between two board meetings did not exceed 120 days except for the gap between Board Meeting dated February 07, 2020 and June 27, 2020 which was temporary relaxations provided by SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/ 2020/38 dated March 19, 2020 along with MCA General Circular No. 11/2020 dated March 24, 2020.

- **Meeting of Independent Directors:**

Pursuant to the provisions contained in Regulation 25 of the Listing Regulations as amended from time to time, a separate meeting of Independent Directors of the Company was held on Friday, March 19, 2021 to discuss, inter-alia:

- Review the performance of Non-Independent Directors and the Board as a whole for the financial year 2020-21;
- Review the performance of the Chairman of the Company, taking into consideration, the views of Whole Time Director and Non-Executive Directors; and
- 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.

Both the Independent Directors were present at the Meeting.

- **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.

- **Information placed before the Board:**

The Chairman and Company Secretary draft Agenda of the Board Meeting, along with the explanatory notes and annexures thereto and distribute these in advance to the Directors before each meeting. Information pursuant to Corporate Governance practices as required under Part A of Schedule II of the Listing Regulations have been made available to the Board from time to time.

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

- **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 2020-21.

- **Disclosure of relationship between Directors inter-se:**

No Director of the Company is related to any other Director of the Company.

- **Number of shares held by Non-Executive Directors:**

Mr. Arun Jindal, Promoter and Non-Executive Director holds 7,25,000 Equity Shares. None of the other Non-Executive Directors hold any Shares or convertible instruments of the Company as on March 31, 2021.

- **Familiarization programme for Independent Directors:**

The Company ensures that all new Independent Directors ("ID") induced into the Board are familiarized with the scope of Business Operations. In compliance with the requirements of the Listing Regulations, your Company has put in place a familiarization programme for the ID's 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 Company arranges interactive programmes time to time with various Heads of Departments to introduce the ID's with various scales of operations.

The Independent Directors 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 strategies. Plant visits are organized for the ID's 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 <https://rkforge.in/wp-content/uploads/2020/07/Familiarization.pdf>

- **Board Diversity**

The Board ensures that a transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board has an appropriate blend of functional and industry expertise.

The Company has adopted a policy on Board Diversity. The same is also available on the website of the Company <https://rkforge.in/wp-content/uploads/2020/07/Board-Diversity-Policy.pdf>

▪ **Company's policy on Directors' Appointment and Remuneration including criteria for determining Qualifications, Positive Attributes, Independence of a Director:**

The Company has adopted the Guidelines on Board Effectiveness ("Governance Guidelines" or "guidelines") which inter-alia cover the criteria for determining qualifications, attributes and independence of a director.

Remuneration Policy of the Company is designed to attract, retain and motivate the employees and Directors to work towards achieving the business targets. Pursuant to provisions mentioned under Section 178 of the Act, 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. Annual Increments of the Board Members and Key Managerial Personnel are recommended by the NRC to the Board whenever seems necessary. 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 <https://rkforge.in/wp-content/uploads/2020/07/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 <https://rkforge.in/wp-content/uploads/2020/07/Policy-on-Appointment-of-Directors-Key-Managerial-Personnel-Senior-Management-Other-Employees.pdf>

➤ **Evaluation of Individual Directors, the Board & its Committees:**

▪ **Evaluation of Individual Directors:**

- Pursuant to the provisions of the Act, the Listing Regulations 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 2020-21 of its own performance, the Directors individually as well as the evaluation of the working of its committees.
- The review of the performance of all the Directors (including the Chairman*) was also evaluated for financial year 2020-21 by the 'Nomination and Remuneration Committee'.
- The performance review of the Non-independent Directors was evaluated for financial year 2020-21 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:

- Understanding of roles and responsibilities.
- Prior experience, especially the experience relevant to the Company;
- Knowledge and Competency;
- Fulfillment of functions;
- Ability to function as a team;
- Initiative;
- Availability, attendance and Commitment;
- Governance and Risk management;
- Contribution;
- Integrity and Confidentiality; and
- 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:**

Areas on Board Evaluation as per SEBI Guidance Note:

- Board composition and Quality;
- Meetings of the Board and Procedures;
- Board strategy; and
- Board & Management relations.

The broad criteria followed for evaluation of the performance of Board Committees include:

- Mandate and composition;
- Functions and Duties of the Committee;
- Committee meetings and procedures;
- Independence of the Committee from the Board; and
- Contribution to decisions of the Board.

• **Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board has identified the following skills/expertise/competencies available with the Board with reference to its business and industry:**

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Company has identified following skills/expertise/competencies for the effective functioning of the Company:

Area of Expertise	Description
Strategy, Planning and Business Operations	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company, relevant policies and priorities. Experience in driving business success in the markets around the world with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and have a broad perspective on market opportunities.
Finance	Ability to comprehend, interpret and guide on financial management, reporting, controls and analysis
Leadership	Ability to have vision, mission, execution, dynamism, learning agility to lead the Corporate from the front.
Technology	A significant background in technology resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models
Governance and Risk Management	Experience in the application of Corporate Governance principles. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance.
Human Resource	Ability to have integrity, patience, leadership, social responsibilities, ethical values and good communication skills.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance Company reputation.

The current composition of the Board comprises of following skills and expertise:

Name of the Director	Area of Expertise						
	Strategy, Planning & Business Operations	Finance	Leadership	Technology	Governance and Risk Management	Human Resources	Sales and Marketing
Mr. Arun Jindal	✓	✓	✓	✓	✓	-	✓
Mr. Nitin Rajore	✓	✓	✓	✓	✓	✓	-
Mr. R. T. Goel	✓	✓	✓	-	✓	✓	-
Ms. Sudha Santhanam	✓	✓	✓	-	✓	-	-

➤ **BOARD COMMITTEES:**

- As on March 31, 2021 Board has six committees -
 - o Audit Committee;
 - o Nomination and Remuneration Committee;
 - o Stakeholders Relationship Committee;
 - o Corporate Social Responsibility Committee;
 - o Share Transfer Committee; and
 - o Committee for issue of duplicate Share Certificate.

3. AUDIT COMMITTEE:

The composition of the Audit Committee complies with provisions of Regulation 18 of the Listing Regulations, read with Section 177 of the Act. 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 Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on Friday, September 18, 2020 to answer the Shareholders Queries.

During the Financial Year 2020-21, Members of the Audit Committee met Five (5) times on June 27, 2020, August 08, 2020, September 05, 2020, November 07, 2020 and February 06, 2021.

The composition of the Audit Committee as on March 31, 2021 and attendance of members in the meetings held during the Financial Year 2020-21 is as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. R. T. Goel	Chairman	Non-Executive Independent Director	5
Ms. Sudha Santhanam	Member	Non-Executive Independent Director	5
Mr. Nitin Rajore	Member	Executive Director	5

▪ **Brief Terms of Reference:**

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Management discussion and analysis of financial condition and results of operations;

- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- Review the functioning of the whistle blower mechanism;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- Statement of deviations, if applicable:
 1. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 2. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7); and
- Dealing with any other function as may be prescribed in the Act and the Listing Regulations time to time.
- Compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time at least once in a financial year (effective from April 1, 2019) and shall verify that the systems for internal control are adequate and are operating effectively.

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 2020-21, they have attended majority of Audit Committee meetings.

Mr. Satish Kadroli, Company Secretary acts as Secretary to the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

The composition of the Nomination and Remuneration Committee is in conscience with the provisions of Regulation 19 of the Listing Regulations, read with Section 178 of the Act, as amended from time to time; and the Chairman of the Committee is an Independent Director. The Chairperson of the Committee was present in the Annual General Meeting of the Company held on Friday, September 18, 2020 to answer the queries of Shareholders.

During the Financial Year 2020-21, Members of the Nomination and Remuneration Committee met two (2) times on June 27, 2020 and November 07, 2020.

The composition of the Nomination and Remuneration Committee as on March 31, 2021 and attendance of members in the meetings held during the financial year 2020-21 is as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. R. T. Goel	Chairman	Non-Executive Independent Director	2
Ms. Sudha Santhanam	Member	Non-Executive Independent Director	2
Mr. Arun Jindal	Member	Non-Executive Non-Independent Director	2

▪ Brief Terms of Reference:

- 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;
- Shall carry out evaluation of every director's performance;
- 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;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- 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;
- Recommend to the board, all remuneration, in whatever form, payable to Senior Management.
- Dealing with any other function as may be prescribed in the Act and the Listing Regulations.

▪ **Criteria for Performance Evaluation of Independent Directors:**

- Participation in Board/Committee Meetings
- Managing Relationships
- Knowledge and Skills
- Independence
- Corporate Governance
- Confidentiality
- Strategic prospects and Inputs

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of the Stakeholders Relationship Committee complies with provisions of Regulation 20 of the Listing Regulations, read with Section 178 of the Act as amended from time to time. The Stakeholders Relationship Committee of the Company consists of Three Members.; and the Chairman of the Committee is a Non-Executive Director.

During the Financial Year 2020-21, Members of the Stakeholders Relationship Committee met (4) times on June 27, 2020, September 05, 2020, November 07, 2020 and February 06, 2021.

The composition of the Stakeholders Relationship Committee as on March 31, 2021 and attendance of members in the meetings held during the financial year 2020-21 is as under:

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

▪ **Terms of Reference:**

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

The Chairperson of the Committee was present in the Annual General Meeting of the Company held on Friday, September 18, 2020 to answer the queries of Security Holders.

Mr. Satish Kadroli, 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 2020-21 are as follows:

No. of complaints pending as on 1st April, 2020	0
No. of complaints identified and reported during FY 2020-21	0
No. of Complaints disposed of during the year ended 31st March, 2021	0
No. of pending complaints as on 31st March, 2021	0

The abovementioned data has been collected and provided from the Website of SCORES <https://scores.gov.in/scores/Welcome.html>

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company believes that Corporate Social Responsibility ("CSR") is the way through which a Company achieves a balance of Economic, Environmental and Social Imperatives, at the same time integrating its business values and operations to meet the expectations of the Shareholders, Stakeholders and Society at large.

The Company is vigilant in its enforcement towards corporate principles and is committed towards Sustainable Development and inclusive growth. The Company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with Business Objective. It also pursues initiatives related to civic sense, environment preservation and social awareness.

The Corporate Social Responsibility Committee has been framed in compliance and accordance to the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 ("Act") and Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), as amended from time to time to undertake CSR Activities; which is primarily responsible to assist the Board in discharging its social responsibility by way of formulating and monitoring implementation of the framework of CSR Policy. The CSR policy of the Company is disclosed on the Company's website at the link: https://rkforge.in/wp-content/uploads/2021/07/RFL_Corporate-Social-Responsibility-Policy-Version-1-w.e.f-03.06.2021.pdf

During the Financial Year 2020-21, the members of the CSR Committee met once, on September 05, 2020 and attendance of members in the meetings held during the financial year 2020-21 is as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. Nitin Rajore	Chairman	Executive Director	1
Mr. Arun Jindal	Member	Non-Executive Non Independent Director	1
Ms. Sudha Santhanam	Member	Non-Executive Independent Director	1

Terms of Reference:

- To formulate and recommend to the Board, a CSR Policy in terms of Schedule VII of the Act;
- To recommend the CSR Activities and amount of expenditure to be incurred on the CSR activities;
- To monitor the CSR Policy of the Company from time to time; and
- To act in terms of any consequent statutory modification(s)/amendment(s)/revision(s) to any of the applicable provisions to the said Committee.

As informed in Board Report above (Please refer Point 17 of Board Report) CSR Committee was dismantled w.e.f June 26, 2021.

7. OTHER COMMITTEES OF BOARD:

Share Transfer Committee; and Committee for issue of duplicate Share Certificate are constituted by the Board of Directors of the Company for handling requests from shareholders for transfer of shares, issue of duplicate share certificate and other incidental matters related thereto, within the stipulated time frames and in compliance of applicable rules and regulations.

Both the committees meet as and when required to consider the proposals of share transfer, transmission, split, consolidation, issue of duplicate share certificate or re-materialisation etc. as the case may be.

8. DETAILS OF REMUNERATION TO ALL DIRECTORS:

The remuneration of Whole Time Director is approved by the Board of Directors and Nomination and Remuneration Committee and is within the limits approved by the members at their meeting held on January 31, 2017 in compliance with the applicable rules and regulations of the Act.

1. Details of managerial remuneration for the financial year 2020-21 are given below: (₹ In lacs)

Name	Salary & Allowances	Perquisites	Total
Mr. Nitin Rajore, Whole Time Director	41.40	2.62	44.02

**There are no performance linked incentives along with the performance criteria defined by the Board for payment of Remuneration to Whole Time Directors.*

2. Details of remuneration of Non- Executive Directors:

▪ Sitting fees to Directors:

In terms of provisions of Section 197(5) of the Act read with the Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company pays ₹ 75,000/- as sitting fees to each Non-Executive Director for attending every Board Meeting held for adoption of Quarterly/Half Yearly/Annual Financial Results of the Company. No sitting fees are paid to the Non-Executive Directors for attending any of the Committee Meetings in which they are the chairperson /members as the case may be.

The details of Sitting Fees paid to Non-Executive Directors for the financial year 2020-21 are as under:

(₹ in Lacs)

Sr. No.	Name	Amount
1	Mr. Arun Jindal	3.00
2	Mr. R. T. Goel	3.00
3	Ms. Sudha Santhanam	3.00
	TOTAL	9.00

None of the Non-Executive Directors of the Company are 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.

9. GENERAL BODY MEETINGS:

a. Particulars of Annual General Meetings held during last three years:

Financial Year	Date	Time	Venue	Number of Special Resolutions
2017-2018	September 28, 2018	11.00 AM	Poona Club Limited, 6 Bund Garden Road, Pune- 411001	1
2018-2019	September 18, 2019		Poona Club Limited, 6 Bund Garden Road, Pune- 411001	0
2019-2020	September 18, 2020		Meeting was conducted via Video Conferencing/ Other Audio Visual manners as per the guidelines/ circulars of Ministry of Corporate Affairs and SEBI	0

- b. Extra Ordinary General Meetings: No extra ordinary meetings of members were held during the year under review.
- c. Special resolution: Special resolution for reclassification of erstwhile promoters into public category was passed at the AGM held on September 28, 2018.
- d. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot: 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 Annual General Meeting, there is no item on the Agenda that needs approval by postal ballot.

• Risk Management Framework:

The Company faces both internal and external risks. Also, we focus on risks in the short, medium as well as long term. Risk management is an integrated aspect of Company's business operations. On a yearly basis, an extensive risk assessment is conducted in which business lines and corporate functions identify all significant risks. The risks are then consolidated and assessed on their potential impact and probability, which is then reported to the Board of Directors. Responsibilities are assigned for significant risks, and mitigating initiatives are established and tracked.

• Disclosures by Management to the Board:

Disclosures relating to financial and commercial transactions where senior management may have personal interest that might have been in potential conflict with the interest of the Company are provided to the Board.

Based on the disclosures received from the Senior Management Personnel; none of the Senior Management Personnel has entered into any transactions during the year in which he/she has material financial and commercial interest or in which he/she may have potential conflict of interest with the interest of the Company at large.

10. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results of the Company are published in The Financial Express (English) and Loksatta (Marathi). The results are also displayed on the Company's website <https://rkforge.in/financial-fillings/>

The Company's website contains separate section called "Investor Relations" wherein all the information about the company called for in terms of Regulation 46 of Listing Regulation and the same is being updated from time to time.

Financial Results, Statutory Notices, Disclosures and Reports after the declaration of the quarterly, half-yearly and annual results are submitted to the BSE Limited (BSE) as well as uploaded on the Company's website. A Management Discussion and Analysis Report is a part of this Integrated Annual Report.

Our tentative calendar for declaration of results for the financial year 2021-22 are as given below s:

Quarter / Year ended	Month of approval of Financial Statements
June 30, 2021	August, 2021
September 30, 2021	November, 2021
December 31, 2021	February, 2022
March 31, 2022	May, 2022

11. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting:

Particulars	Details
Date and Time	Monday, September 20, 2021 at 12.00 p.m.
Venue	Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM.

2. **Financial Year:** April 01, 2020 to March 31, 2021 as per Section 2(41) of the Act.

3. Dividend payment date:

The Board of Directors have not recommended a dividend in the financial year 2020-21.

4. Book Closure Dates (for Annual General Meeting):

September 14, 2021 to September 20, 2021 (both days inclusive)

5. Listing Details:

No. of securities listed : 1 to 10939400

Name, Address and Telephone Nos. of Stock Exchange

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001

Tel.: (022) 22721233 / 34

Listing Fees for 2021-22: Paid within due date

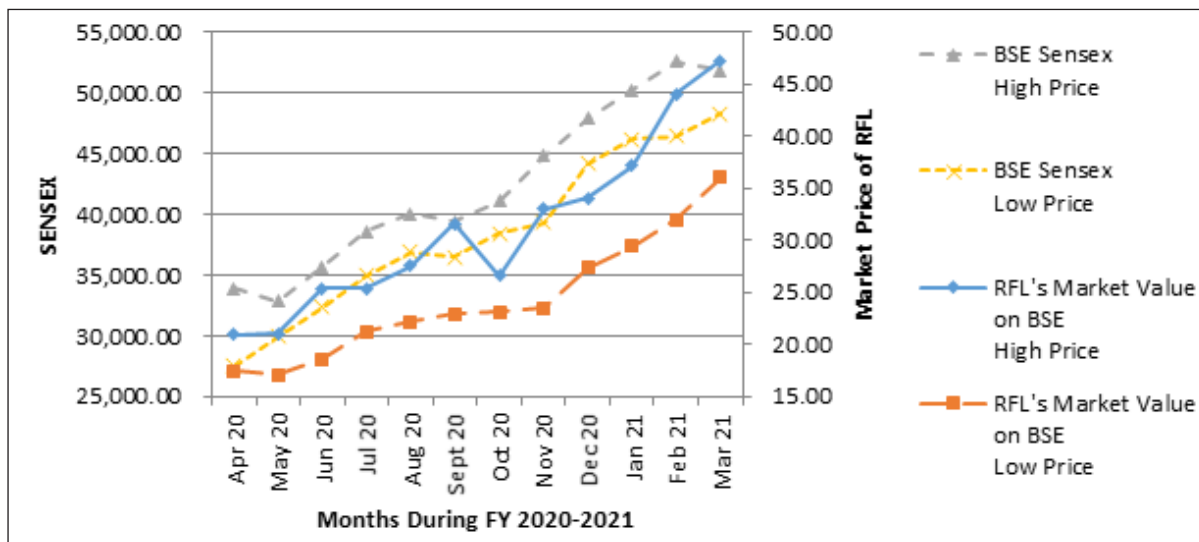
6. Scrip Code: 513369

7. Market Price Data:

High/Low of market price of the Company's shares traded on BSE Limited during the year 2020 – 21 is furnished below:

Period	RFL's Market Value on BSE		BSE Sensex	
	High Price ₹	Low Price ₹	High Price ₹	Low Price ₹
April, 2020	20.95	17.45	33,887.25	27,500.79
May, 2020	21.00	17.10	32,845.48	29,968.45
June, 2020	25.35	18.60	35,706.55	32,348.10
July, 2020	25.35	21.25	38,617.03	34,927.20
August, 2020	27.50	22.20	40,010.17	36,911.23
September, 2020	31.55	22.95	39,359.51	36,495.98
October, 2020	26.60	23.10	41,048.05	38,410.20
November, 2020	33.00	23.45	44,825.37	39,334.92
December, 2020	34.00	27.40	47,896.97	44,118.10
January, 2021	37.20	29.40	50,184.01	46,160.46
February, 2021	44.00	32.00	52,516.76	46,433.65
March, 2021	47.25	36.00	51,821.84	48,236.35

(Source: www.bseindia.com)

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

9. During the F.Y. 2020-21 the securities are not suspended from trading.
10. Registrar and Share Transfer Agent:

The Company has appointed M/s. Link Intime India Pvt. Ltd. as Registrar and Transfer Agents having their office at: Block No 202, 2nd Floor, Akshay Complex, Dhole Patil Road, Pune –411001

Telephone No.: (020) 26163503, 26161629

E-mail ID:pune@linkintime.co.in

Place for acceptance of documents:

Any Documents will be accepted at plant location, Registrars and Share Transfer Agents Pune office, addresses of which are provided above. In addition, documents are also accepted at the Registered Office of the Company at Office no. 511 to 513, Global Square, S. No. 247, 14B, Yerawada, Pune – 411 006, Maharashtra, India.

The Secretary has designated following Email ID for investors 'correspondence and redressal of their grievances and complaints.

Email: secretarial@rkforge.in, invest@rkforge.in ; Telephone No. : 8956616160

Shareholders holding shares in electronic mode should address all their correspondence relating to change of address, change in bank mandate for NECS etc. to their respective Depository Participant.

11. Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

12. Distribution of shareholding as on March 31, 2021:

Share Holding of Nominal Value of ₹	No. of shareholders	% to total No. of Shareholders	No. of Shares	Amount in ₹	Percentage to total
1 to 5,000	5739	93.48	7,62,946	76,29,460	6.97
5,001 to 10,000	188	3.06	1,59,188	15,91,880	1.46
10,001 to 20,000	80	1.30	1,22,383	12,23,830	1.12
20,001 to 30,000	25	0.41	63,764	6,37,640	0.58
30,001 to 40,000	25	0.41	92,004	9,20,040	0.84
40,001 to 50,000	21	0.34	99,326	9,93,260	0.91
50,001 to 1,00,000	24	0.39	1,95,822	19,58,220	1.79
1,00,001 and above	37	0.60	94,43,967	9,44,39,670	86.33
TOTAL	6139	100.00	1,09,39,400	10,93,94,000	100.00

13. Shareholding Pattern as on March 31, 2021:

Sr. No.	Category	No. of shares	% of shareholding
A	Promoters holding		
1	Promoters		
	Indian Promoters	79,25,769	72.45
	Foreign Promoters	-	-
	Sub Total	79,25,769	72.45
B	Non-Promoter's Shareholding		
1	Institutional Investors	-	-
(i)	Mutual Funds and UTI	-	-
(ii)	Banks, Financial Institutions, Insurance Companies	100	0.00
(iii)	FII's	-	-
	Sub Total	100	0.00
2	Non-Institutional Investors		
(i)	Individuals	20,93,419	19.14
(ii)	Hindu Undivided Family	35,109	0.32
(iii)	Non-Resident Indians	1,120	0.01
(iv)	Bodies Corporate	1,40,934	1.29
(v)	Investor Education and Protection Fund Authority	7,39,801	6.76
(vi)	Others	3148	0.03
	Sub Total	30,13,531	27.55
	GRAND TOTAL	1,09,39,400	100.00

14. The status of dematerialization of shares as on March 31, 2021 is as under:

Type of Holding	Percentage to share capital For FY 2020-21		Percentage to share capital For FY 2019-20	
	Number of Shares	Percentage	Number of Shares	Percentage
Physical	8,61,000	7.87	9,69,600	8.86
Dematerialized				
NSDL	87,38,971	79.89	87,07,688	79.60
CDSL	13,39,429	12.24	12,62,112	11.54
TOTAL	1,09,39,400	100	1,09,39,400	100

The Company's shares are regularly traded on BSE Ltd. as is indicated in the table containing market information. Demat ISIN Number for the purpose of NSDL and CDSL: INE013J01016

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

The Company has not issued any GDR's/ADR's/Warrants or any convertible instruments in past and so, as on March 31, 2021, there are no such outstanding GDR's/ADR's/Warrants or any other convertible instruments.

16. Disclosure of commodity price risks 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.

17. Plant Location:

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

Location of the plant: <https://goo.gl/maps/zmSaRc8J3FoXRLMj6>

18. Address for correspondence:

Rajkumar Forge Limited

Office no. 511 to 513, Global Square, S. No. 247, 14B,

Yerawada, Pune – 411 006, Maharashtra, India.

Tel: +91 8956616160

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

Web: <https://rkforge.in/>

19. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

Ratings/ revisions obtained by the Company from India Ratings and Research has been intimated to BSE Limited and uploaded on the Company's website at www.rkforge.in. Since the Company do not have any debt instruments, or fixed deposit programme, or any scheme or proposal involving mobilization of funds whether in India or abroad, obtaining rating for the same is not applicable.

Instrument Type	Rating/Outlook	Rating Actions
Long Term Loan	IND A- (CE)/Negative	Rating affirmed and reassigned; Outlook revised to Negative from Stable
Fund-based working capital facility	IND A- (CE)/Negative	Rating affirmed and reassigned; Outlook revised to Negative from Stable
Non-Fund-based-working capital limits	IND A2+(CE)	Affirmed and Reassigned
Unsupported rating	IND BBB/Negative	Assigned

20. The Whole Time Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 read with Part B of Schedule II of Listing Regulation. Accordingly, a certificate by Mr. Nitin Rajore, Whole Time Director and Mr. Shubham Jindal, Chief Financial Officer, in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was placed before the Board at their meeting held on June 26, 2021.**21. Other shareholder related information:****▪ Procedure for dematerialization of shares:**

Shareholders seeking demat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificate to Registrar and Share Transfer Agent ("the Registrar") of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. Upon verification, the Registrar will request National Securities Depository Ltd. (NSDL) / Central Depository Services (India) Ltd. (CDSL) to confirm the demat request. The demat account of the respective shareholder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

▪ Transfer of Unclaimed / Unpaid amounts and shares to the Investor Education and Protection Fund (IEPF):

- Pursuant to Section 124 and 125 and all other applicable provisions, if any, of the Act, the amount of the dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India.
- The dividend for the financial year ended March 31, 2013 amounting to ₹ 12,48,300/- which remained unpaid or unclaimed over a period of seven years was transferred by the Company to the Fund on October 17, 2020.

- Any person/ Member who has not claimed the dividend in respect of the financial year ended March 31, 2013 is requested to approach the Company/ Registrar and Transfer Agent of the Company for claiming the same.
- It may be noted that, there are no unpaid/ unclaimed dividend from the financial year ended March 31, 2014.
- Further in accordance with Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, amongst other matters, all shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority.

Accordingly, all the shares in respect of which dividends were declared up to the financial years ended March 31, 2013 and remained unpaid or unclaimed were transferred to the IEPF Demat Account. The Company has sent notices to all such members in this regard and thereafter transferred the shares to the IEPF during financial year 2020-21. The details of unpaid / unclaimed dividend and number of shares liable to be transferred are available on website: www.rkforge.in

- Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed / unpaid for a period of seven years from the dates they became first due for payment. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Demat Account as per the applicable provisions of Act and rules made thereunder. The Member/ Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.
- In order to help Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends for the financial year ended March 31, 2013 and subsequent years on the website of the Company: www.rkforge.in

While the Registrar and Share Transfer Agents of the Company has already written to the shareholders informing them about the due dates of transfer to IEPF for these payments, attention of the shareholders is again drawn to this matter through Annual Report.

During the financial Year 2020-21, 1,02,000 Shares were transferred to IEPF Account with CDSL.

12. OTHER DISCLOSURES:

a. Related Party Transactions:

During the financial year 2020-21, the Company had transactions with related parties as defined under the provisions of the Act and Regulation 23 of the Listing Regulations. 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 the Listing Regulations, 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	27 th 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 the Listing Regulations, during the financial year 2020-21. Necessary disclosure as required has been made in the Note No. 40(2) of the Financial Statements. The Company's Policy on Related Party Transactions has been uploaded on the Company's website at <https://rkforge.in/wp-content/uploads/2021/07/Related-Party-Transaction-Policy-Version2-w.e.f-03.06.2021.pdf>

- b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:**

There was no such instance in the last three years.

- c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:**

Please refer details mentioned in the clause 36 of the Board's report.

- d. 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 the Listing Regulations, 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 pursuant to the exemption clauses mentioned in the said Regulations.

Necessary disclosures and explanations with respect to observations of Secretarial and Statutory Auditors are given in the Board's Report.

The Company has complied with the non-mandatory requirements of the Listing Regulations to the extent possible.

- e. Web link where policy for determining 'material' subsidiaries is disclosed:**

The Company does not have any subsidiary and hence, no disclosure is required.

- f. Web link where Policy on Related Party Transactions has been disclosed:**

The same has been uploaded on the Company's website at <https://rkforge.in/wp-content/uploads/2021/07/Related-Party-Transaction-Policy-Version2-w.e.f-03.06.2021.pdf>

- g. Disclosure of commodity price risk and commodity hedging activities:**

Details provided in point no. 16 of this report.

- h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

During the period under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

- i.** A certificate from M/s MSN Associates, Company Secretaries (attached and which forms integral part of this report) confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.
- j.** There were no such instances during FY 2020-21 when the Board had not accepted any recommendation of any committee of the board.
- k.** Total fees for all services paid/payable by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditors is a part given below:

(₹ in Lakhs)

Sr. No.	Particulars	FY 2020-21
1	Statutory Audit and Limited review	3.15
2	Tax Audit Fees	0.35
	TOTAL	3.50

I. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year 2020-21	Number of complaints disposed of during the financial year - 2020-21	Number of complaints pending as on end of the financial year 2020-21
NIL	NIL	NIL

m. Code of Conduct for prevention of insider trading:

In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments thereof, the Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons, Policy for determination of “legitimate purposes”, Formulation of policy for inquiry in case of leak of UPSI or suspected leak of UPSI, Amendment in definition of “Unpublished Price Sensitive Information”, Amendment to the definition of “Designated Person”. This Code lays down guidelines for procedure to be followed and disclosures to be made by insiders while trading in securities of the Company. It also includes practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Mr. Satish Kadrolli, Company Secretary is the Compliance Officer under the Code. The trading window is closed during the time of declaration of financial results and occurrence of any material events as per the Code. The Compliance Officer / ‘Audit Committee’ is responsible to set forth the policies relating to and overseeing the implementation of the Code. The terms of reference, constitution, meetings and attendance of this Committee have been mentioned under ‘Audit Committee’ section.

n. Policy on Determination of Materiality for Disclosure of Events or Information:

The Company in compliance with the Listing Regulations has adopted a ‘Policy on Determination of Materiality for Disclosure of Events or Information’. The same has been posted on the website of the Company: <https://rkforge.in/wp-content/uploads/2020/07/Materiality-of-Event-or-Information-Policy.pdf> as required under the Listing Regulations. The Policy encourages information related to the Company’s business, operations, or performance which has a significant effect on securities investment decisions (hereinafter referred to as “material information”) that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

o. Policy on Preservation of Documents:

The Company in compliance with the Listing Regulations has adopted a ‘Policy on Preservation of Documents’. The policy has been posted on the website of the Company: <https://rkforge.in/wp-content/uploads/2020/07/Policy-on-Preservation-of-Documents.pdf> as required under the Listing Regulations. The Policy facilitates stakeholders to retrieve past information which is of a statutory nature for a period as disclosed in the Policy.

p. Compliance with Accounting Standard:

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules thereunder. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

13. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) OF SCHEDULE V (C) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

NIL.

14. EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS SPECIFIED IN PART E OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 HAVE BEEN ADOPTED:

Details are provided in clause “12 (d)” of this report .

15. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT:

Required disclosures are provided in clause “12 (d)” of this report.

DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT:

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 Code has been circulated to all the members of Board and Senior Management.

The Company has received affirmation of compliance from Directors and Senior Management Personnel of the Company for the financial year ended March 31, 2021.

The said Code is posted on the Company's website <https://rkforge.in/wp-content/uploads/2020/07/Revised-code-of-conduct.pdf>

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, 2021.

For **Rajkumar Forge Limited**

Place: Pune

Date: June 26, 2021

Nitin Rajore
Whole Time Director
DIN: 01802633

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Clause 10(i) of Para C to Schedule V of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Members,
Rajkumar Forge Limited
Office No 511 to 513, Global Square,
Yerawada, Pune - 411 006

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Rajkumar Forge Limited having CIN:L28910PN1990PLC056985 and having registered office at Office No 511 to 513, Global Square, Yerawada, Pune – 411006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Arun Krishankumar Jindal	00121523	11/02/2020
2	Mr. Nitin Shyam Rajore	01802633	01/12/2016
3	Ms. Sudha Santhanam	06579108	15/05/2017
4	Mr. Ratanlal Tikaram Goel	07663394	01/12/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For MSN Associates
Company Secretaries**

**Nishad Umranikar
Partner**

Membership No. FCS 4910

C.P. No. 3070

UDIN: F004910C000523120

Place: Pune
Date: 26/06/2021

Secretarial Auditor Certificate regarding compliance of conditions of Corporate Governance

To,
The Members,
Rajkumar Forge Limited
Office No 511 to 513, Global Square,
Yerawada, Pune - 411 006

I have examined the compliance of conditions of Corporate Governance by Rajkumar Forge Limited (hereinafter referred "the Company"), for the year ended on 31st March, 2021 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My 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 my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

I further state that, this certificate 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.

**For MSN Associates
Company Secretaries**

**Nishad Umranikar
Partner**

Membership No. FCS 4910

C.P. No. 3070

UDIN: F004910C000523131

Place: Pune
Date: 26/06/2021

Independent Auditors' Report

To

The Members of **Rajkumar Forge Ltd.**

Report on the audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Rajkumar Forge Ltd.** (hereinafter referred to as "the Company") which comprise

- a) Ind AS Balance Sheet as at the **31st March 2021**
- 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 Ind AS financial statements including a summary of significant accounting policies and other explanatory information.

(hereinafter referred to as "the financial statements").

In our opinion, 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 the Companies Act, 2013 ("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 Ind AS Balance Sheet, of the state of affairs of the Company as at **31st March, 2021**
- b) in the case of the Ind AS Statement of Profit & Loss, of the **Profit** of the Company for the year ended on that date.
- c) in the case of the Ind AS Statement of Changes in Equity, of the **changes in equity** of the Company for the year ended on that date.
- d) in the case of the Ind AS Cash Flow Statement, of the **cash flows** of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified u/s 143(10) of the Act. 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.

Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Ind AS Financial Statements" section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters which were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

We draw your attention to **Note 45** to the Financial Statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not materially impact the current financial year. However, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

Other Information

The Company's management and Board of Directors are responsible for the "other information" included in the Company's annual report. The "other information" comprises the information included in the Company's annual report, but does not include the Ind AS Financial Statements and our auditors' report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

Responsibility of Management for the Ind AS financial statements

The Company's management and Board of Directors are 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 of the assets of the Company and for preventing and detecting frauds and other irregularities
- b) selection, application, maintenance and implementation of appropriate accounting policies
- c) making judgments and estimates that are reasonable and prudent
- 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.

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are

- a) to obtain reasonable assurance whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error,
- b) to issue an auditor's report that includes our opinion on these Ind AS Financial Statements based on our audit.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing, if required, our opinion on whether the company has adequate internal financial controls system in place with reference to the Ind AS Financial Statements and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Ind AS Financial Statements made by the management and the Board of Directors.
- d) Conclude on the appropriateness of the management's and the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, to the extent applicable.
- b) As required by Section 143(3) of the Act, we report that:
- 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.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - 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
 - 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.
 - On the basis of the written representations received from the directors as on **31st March, 2021** taken on record by the Board of Directors, none of the directors is disqualified as on **31st March, 2021** from being appointed as a director in terms of Section 164 (2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting with reference to the Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - the Company does not have any pending litigations which would impact its financial position
 - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - 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
 - With respect to the matter to be included in the Auditors' Report u/s 197(16) of the Act we state that in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down u/s 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details u/s 197(16) of the Act which are required to be commented upon by us.

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

S. M. Ghatpande
Partner

Place: Pune
Date: 26th June 2021

Membership No. 30462
UDIN: 21030462AAAACG8776

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. Physical verification of inventory could not be carried out immediately subsequent to the year end due to lockdown restrictions imposed by the Government of India consequent to the outbreak of coronavirus (Covid-19). However, physical verification of inventory was carried out as soon as the said restrictions permitted. Roll back procedures were performed to determine the inventories as at the year end. 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 S. 185 & S. 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 CA, 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

The Company has maintained cost records as 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 more than Rs.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 **Rs.12,48,300/- (P.Y. Rs. 12,38,700/-)** 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 **1,02,000 (PY 59,100)** 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 **not** issues 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 S.177 & 188

All the transactions with related parties are in compliance with Sections 177 & 188 of the CA 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 S 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 S.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 S.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

Place: Pune
Date: 26th June 2021

Membership No. 30462
UDIN: 21030462AAAAACG8776

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 **31st March 2021** 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 **31 March 2021**, 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

UDIN: 21030462AAAACG8776

Place: Pune

Date: 26th June 2021

Balance Sheet

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
		₹	₹
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	16,10,72,496	17,63,40,264
(b) Capital work-in-progress	4	2,66,93,510	2,54,78,206
(c) Intangible assets	5	91,340	1,73,329
(e) Other non-current assets	6	26,90,130	33,56,130
Total non-current assets		19,05,47,475	20,53,47,929
2 Current assets			
(a) Inventories	7	8,11,46,491	5,61,56,335
(b) Financial Assets			
(i) Trade receivables	8	12,36,09,371	14,95,06,365
(ii) Cash and cash equivalents	9	1,46,02,146	1,14,81,221
(iii) Short term Loans & advances	10	64,63,132	67,47,582
(c) Other current assets	11	11,25,697	34,75,878
Total current assets		22,69,46,838	22,73,67,381
Total Assets		41,74,94,313	43,27,15,310
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	12	10,93,94,000	10,93,94,000
(b) Other equity	13	18,91,34,345	15,69,59,230
Total equity		29,85,28,345	26,63,53,230
2 Liabilities			
A Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	-	1,33,24,350
(b) Provisions	15	72,63,008	69,41,912
(c) Deferred tax liabilities (Net)	16	1,33,09,092	1,25,47,612
(d) Other non-current liabilities	17	20,000	20,000
Total non-current liabilities		2,05,92,100	3,28,33,874
B Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	(25,52,275)	2,88,94,907
(ii) Trade payables	19	8,46,36,963	8,47,58,377
(iii) Other financial liabilities (other than those specified in item (ii))	20	64,12,568	93,80,760
(b) Other current liabilities	21	76,33,056	98,74,878
(c) Provisions	22	22,43,556	6,19,285
Total current liabilities		9,83,73,868	13,35,28,206
Total liabilities		11,89,65,968	16,63,62,080
Total equity and liabilities		41,74,94,313	43,27,15,310
Contingent Liabilities not provided for:	23	8,17,51,364	4,12,96,137
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

S. M. Ghatpande

Partner

Membership No. 30462

UDIN: 21030462AAAACG8776

For & on behalf of the Board of Directors

Arun Jindal

Director

DIN: 00121523

Shubham Jindal

Chief Financial Officer

Nitin Rajore

Whole-time Director

DIN: 01802633

Satish Kadrolli

Company Secretary

M No. A43677

Place : Pune

Date : June 26, 2021

Place : Pune

Date : June 26, 2021

Statement of Profit and Loss

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
		₹	₹
I INCOMES			
(i) Revenue from operations (net of taxes)	24	40,44,29,932	50,87,76,069
(ii) Other income	25	17,53,997	11,62,209
Total Income		40,61,83,929	50,99,38,279
II EXPENSES			
(i) Cost of Material Consumed	26	21,65,77,459	27,09,34,693
(ii) Changes in inventories of finished goods, stock-in-trade and work-in progress	27	(1,89,24,860)	(7,87,250)
(iii) Manufacturing Expense	28	8,77,53,884	11,51,07,581
(iv) Employee benefit expenses	29	3,90,97,969	3,57,10,460
(v) Administration expenses	30	1,06,09,831	84,73,338
(vi) Selling expenses	31	46,78,852	48,69,276
(vii) Finance costs	32	62,14,866	62,46,593
(viii) Depreciation & amortization	33	1,55,84,683	1,35,23,585
(ix) Corporate Social Responsibility Expenses	34	6,87,610	
Total expenses		36,22,80,293	45,40,78,276
III Profit/(loss) before exceptional items and tax		4,39,03,636	5,58,60,003
IV Exceptional Items		-	-
V Profit/(loss) before tax		4,39,03,636	5,58,60,003
VI Tax expense:			
(i) Current tax		73,28,396	93,62,362
(ii) Deferred tax		7,61,479	7,87,572
VII Profit (Loss) for the period from continuing operations		3,58,13,761	4,57,10,068
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		3,58,13,761	4,57,10,068
XII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of obligations			
Gratuity		(7,95,602)	(7,09,105)
Leave encashment		(1,89,498)	(64,331)
(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)		3,48,28,661	4,49,36,632
XIV Earnings per equity share (for continuing operation):	35		
(i) Basic		3.27	4.18
(ii) Diluted		3.27	4.18
XV Earnings per equity share (for discontinued operation):			
(i) Basic			
(ii) Diluted			
XVI Earnings per equity share (for discontinued & continuing operations)			
(i) Basic		3.27	4.18
(ii) Diluted		3.27	4.18
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

UDIN: 21030462AAAACG8776

For & on behalf of the Board of Directors

Arun Jindal

Director

DIN: 00121523

Shubham Jindal

Chief Financial Officer

Nitin Rajore

Whole-time Director

DIN: 01802633

Satish Kadrolli

Company Secretary

M No. A43677

Place : Pune

Date : June 26, 2021

Place : Pune

Date : June 26, 2021

Statement of Cash Flow

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹	₹
Cash flow from operating activities		
Profit before exceptional items & tax	4,39,03,636	5,58,60,003
Adjustments for		
Depreciation and amortisation expenses	1,55,84,683	1,35,23,585
Interest income	(11,25,284)	(5,05,818)
Interest expense	44,88,002	55,69,233
Remeasurement of obligations	(19,70,200)	(7,73,436)
Cash generated from operations before working capital changes	6,08,80,837	7,36,73,567
Adjustments for		
(Increase) decrease in non-current loans (security deposits & others)	6,66,000	-
(Increase) / decrease in trade receivables	2,58,96,994	(2,00,21,238)
(Increase) / decrease in inventories	(2,49,90,156)	27,65,278
(Increase) / decrease in short term loans & advances	2,84,450	25,92,436
Increase / (decrease) in non-current provisions	13,06,196	11,52,847
Increase in other current financial liabilities	(29,68,192)	(20,62,503)
Increase / (decrease) in trade payables	(1,21,414)	(95,29,311)
Increase / (decrease) in current provisions	16,24,271	1,88,257
Increase / (decrease) in other current liabilities	(22,41,822)	24,20,553
Cash generated from operations	6,03,37,164	5,11,79,886
Income taxes paid (net of refunds)	(76,31,761)	(1,20,30,832)
Cash flow before exceptional items	5,27,05,403	3,91,49,054
Net cash (used in) / generated from operating activities - A	5,27,05,403	3,91,49,054
Cash flow from investing activities		
Purchase of PPE	(2,34,925)	(6,17,31,105)
Increase in capital WIP	(12,15,304)	3,15,09,884
Interest income	11,25,284	5,05,818
Cash flow before exceptional items	(3,24,945)	(2,97,15,402)
Net cash (used in) / generated from investing activities - B	(3,24,945)	(2,97,15,402)
Cash flow from financing activities		
Increase / (decrease) in non-current borrowings	(1,33,24,350)	1,33,24,350
Interest expense	(44,88,002)	(55,69,233)
Net cash (used in) / generated from financing activities - C	(1,78,12,352)	77,55,117
Net increase / (decrease) in cash & cash equivalents - A+B+C	3,45,68,106	1,71,88,769
Add: Cash & cash equivalents at the beginning of the year	(1,74,13,684)	(3,46,02,453)
Cash & cash equivalents at the end of the year	1,71,54,422	(1,74,13,684)
Cash and cash equivalents at the beginning of the financial year	1,14,81,221	89,88,278
Bank overdrafts	(2,88,94,907)	(4,35,90,733)
Cash and cash equivalents at end of the year	(1,74,13,686)	(3,46,02,455)
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	1,46,02,146	1,14,81,221
Bank overdrafts	25,52,275	(2,88,94,907)
Balances per statement of cash flows	1,71,54,421	(1,74,13,686)

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

UDIN: 21030462AAAACG8776

Place : Pune

Date : June 26, 2021

For & on behalf of the Board of Directors

Arun Jindal

Director

DIN: 00121523

Nitin Rajore

Whole-time Director

DIN: 01802633

Shubham Jindal

Chief Financial Officer

Satish Kadrolli

Company Secretary

M No. A43677

Place : Pune

Date : June 26, 2021

Statement of Changes in Equity

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
		₹	₹
A. Equity share capital			
Balance at the beginning of the reporting period		10,93,94,000	10,93,94,000
Balance at the end of the reporting period		10,93,94,000	10,93,94,000
B. Other equity			
Capital Redemption Reserve			
Balance at the beginning of the reporting period		50,00,000	50,00,000
Balance at the end of the reporting period		50,00,000	50,00,000
Capital Reserve: State Capital Subsidy			
Balance at the beginning of the reporting period		30,00,000	30,00,000
Balance at the end of the reporting period		30,00,000	30,00,000
General Reserve			
Balance at the beginning of the reporting period		1,60,99,846	1,60,99,846
Balance at the end of the reporting period		1,60,99,846	1,60,99,846
Retained earnings			
Balance at the beginning of the reporting period		13,28,59,384	8,79,22,752
Profit for the period		3,58,13,761	4,57,10,068
Prior period adjustments		(26,53,546)	
Other comprehensive Income for the year		(9,85,100)	(7,73,436)
Balance at the end of the reporting period		16,50,34,499	13,28,59,384
Total other equity			
Balance at the beginning of the reporting period		15,69,59,230	11,20,22,598
Profit for the period		3,58,13,761	4,57,10,068
Other comprehensive Income for the year		(9,85,100)	(7,73,436)
Balance at the end of the reporting period		18,91,34,345	15,69,59,230

Note: The other equity of the company under the following heads is Nil during both 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 The effective portion of gains and losses on hedging instruments in a cash flow hedge
- g 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
- h 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
- i 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
- j 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
- k Current and deferred tax credits and charges in respect of items recognised in OCI
- l Other items of other comprehensive income
- m 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

For & on behalf of the Board of Directors

Arun Jindal
Director
DIN: 00121523

Shubham Jindal
Chief Financial Officer

S. M. Ghatpande
Partner
Membership No. 30462
UDIN: 21030462AAAACG8776

Nitin Rajore
Whole-time Director
DIN: 01802633

Satish Kadrolli
Company Secretary
M No. A43677

Place : Pune
Date : June 26, 2021

Place : Pune
Date : June 26, 2021

Notes to the Ind AS Financial Statements for the year ended 31-Mar-21

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 **26th June 2021**. All press releases, financial reports and other information are available at our investor relations section on the Company's website: **www.rkforge.in**

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 These financial statements comply in all material respects with the relevant provisions of the Act and with the Ind AS applicable for the period ending on **31st March 2021**
- v 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.
- vi The financial statements are presented in INR which is the functional currency of the Company

2 Significant accounting policies**2.01 Ind AS which are not applicable to the Company:**

- i **Ind AS 27 & Ind AS 110 - Consolidated and separate Financial Statements:** These Ind ASs are not applicable since the Company has no subsidiaries.
- ii **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.
- iii **Ind AS 29 - Financial Reporting in the Hyperinflationary Economies:** This Ind AS is not applicable since the Company does not operate in Hyperinflationary Economies.
- iv **Ind AS 34 - Interim Financial Reporting:** This Ind AS is not applicable since the financial statements under review are not interim statements.
- v **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.
- vi **Ind AS 41 - Agriculture:** This Ind AS is not applicable since the Company is not engaged in agriculture.
- vii **Ind AS 101 - First Time adoption of Ind AS:** This Ind AS is not applicable since this is not the first year of adoption of Ind AS
- viii **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.
- ix **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.

- x **Ind AS 104 - Insurance Contracts:** This Ind AS is not applicable since the Company is not engaged in the business of issuing insurance contracts.
- xi **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.
- xii **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.
- xiii **Ind AS 108 - Operating Segments:** This Ind AS is not applicable since the Company is engaged only in one primary segment, namely, manufacture of forgings and sale in the domestic market.
- 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.
- xvi **Ind AS 116 - Leases:** This Ind AS is not applicable since the Company has not entered into any lease arrangement to which this Ind AS applies.

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 The Company's accounting policies comply with each Ind AS effective at the end of the reporting period. 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 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.

2.04 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, 2020** and **March 31, 2021**.
- iii The Company has reconciled profit before tax to net cash flows from operating activities. However, reconciliation of profit after tax is also acceptable under Ind AS 7.
- 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.
- v For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.05 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.

2.06 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.

2.07 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.

2.08 Ind AS 16 - Property Plant and Equipment

- i 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.
- 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.

- xi Contributions by customers of items of PPE (such as moulds) , which require an obligation to supply goods to the customer in the future, are recognised at the fair value when the Company has control of the item.

2.09 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. 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.
- ix 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.**

2.10 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.

2.11 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.**

2.12 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.

2.13 Ind AS 24 - Related party and Disclosures

- i The Company has identified related parties as required by Ind AS 24 in note no. 43
- ii In compliance with Ind AS 24, the Company has recognized independent directors & investor directors as key management personnel.

2.14 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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- ▶ 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 through 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.

Original classification	Revised classification	Accounting treatment
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.

The Company has not reclassified any financial instrument.

- xviii **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.

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

- xix **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.

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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.

2.20 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

2.21 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".

2.22 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

xv **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.**

2.23 Ind AS 115 - Revenue from contracts with customer

- 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 Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.
- 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.**

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 at the end of the year	WDV at the beginning of the year	WDV at the end of the year
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Freehold Land									
FY 2020-21	13,70,978			13,70,978	-		-	13,70,978	13,70,978
FY 2019-20	13,70,978			13,70,978	-		-	13,70,978	13,70,978
Buildings									
FY 2020-21	4,97,52,414			4,97,52,414	2,24,91,188	10,65,431	2,35,56,619	2,72,61,226	2,61,95,795
FY 2019-20	4,85,26,018	12,26,396		4,97,52,414	2,15,13,265	9,77,923	2,24,91,188	2,70,12,753	2,72,61,226
Plant & Machinery									
FY 2020-21	35,53,09,268	2,34,925		35,55,44,193	20,81,45,728	1,44,14,489	22,25,60,217	14,71,63,540	13,29,83,976
FY 2019-20	29,48,04,559	6,05,04,709		35,53,09,268	19,63,45,819	1,17,99,909	20,81,45,728	9,84,58,740	14,71,63,540
Furniture & fixtures									
FY 2020-21	50,38,264			50,38,264	47,38,041	22,774	47,60,815	3,00,223	2,77,449
FY 2019-20	50,38,264			50,38,264	44,80,227	2,57,814	47,38,041	5,58,037	3,00,223
Vehicles									
FY 2020-21	48,85,960			48,85,960	46,41,662	-	46,41,662	2,44,298	2,44,298
FY 2019-20	48,85,960			48,85,960	42,35,713	4,05,949	46,41,662	6,50,247	2,44,298
Total tangible assets									
FY 2020-21	41,63,56,883	2,34,925	-	41,65,91,808	24,00,16,619	1,55,02,694	25,55,19,313	17,63,40,264	16,10,72,496
FY 2019-20	35,46,25,779	6,17,31,105	-	41,63,56,883	22,65,75,024	1,34,41,595	24,00,16,619	12,80,50,755	17,63,40,264

Notes

- 3.1 The Company has not, during both the years, acquired any PPE under a lease.
- 3.2 The Company has not, during both the years, acquired any PPE through business combinations.
- 3.3 The Company has not, during both the years, impaired any PPE nor reversed any past impairment.
- 3.4 There are no additions to PPE, during both years, on account of exchange differences.
- 3.5 There are no additions to PPE, during both years, on account of revaluation.
- 3.6 There are no disposals of PPE, during both years, on account of discontinued operations.
- 3.7 No items of PPE have been contributed by customers during both years.
- 3.8 Notes 14 & 18 state the charges / encumbrances to which specific items of PPE are subject.

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 at the end of the year	WDV at the beginning of the year	WDV at the end of the year
	₹	₹	₹	₹	₹	₹	₹	₹	₹
FY 2020-21	2,54,78,206	12,15,304	-	2,66,93,510	-	-	-	2,54,78,206	2,66,93,510
FY 2019-20	5,69,88,090	3,28,57,945	(6,43,67,830)	2,54,78,206	-	-	-	5,69,88,090	2,54,78,206

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 at the end of the year	WDV at the beginning of the year	WDV at the end of the year
Computer software									
FY 2020-21	12,94,572			12,94,572	11,21,243	81,989	12,03,232	1,73,329	91,340
FY 2019-20	12,94,572			12,94,572	10,39,253	81,990	11,21,243	2,55,319	1,73,329

Notes

- 5.10 The Company has not, during both the years, acquired any intangible assets under a lease.
- 5.20 The Company has not, during both the years, acquired any intangible assets through business combinations.
- 5.30 The Company has not, during both the years, impaired any intangible assets nor reversed any past impairment.
- 5.40 There are no additions to intangible assets, during both the years, on account of exchange differences.
- 5.50 There are no additions to intangible assets, during both the years, on account of revaluation.
- 5.60 There are no disposals of intangible assets, during both the years, on account of discontinued operations.
- 5.70 None of the intangible assets have indefinite life.

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
		₹	₹
6 Other non-current assets			
(a) Security deposits		26,90,130	33,56,130
Total		26,90,130	33,56,130
7 Inventories			
(a) Raw Materials		2,79,24,168	2,18,58,872
(b) Work-in-progress		5,12,03,013	3,19,91,708
(c) Scrap		20,19,310	23,05,755
Total inventories		8,11,46,491	5,61,56,335
8.1 Mode of valuation: See Note 2.03			
8.2 Inventories are taken and valued by the management.			
8 Trade receivables			
Unsecured, considered good.			
(a) Outstanding for less than six months		10,58,62,929	12,84,23,997
(b) Outstanding for a period exceeding six months		1,77,46,442	2,10,82,368
(c) Unsecured considered doubtful		15,14,612	14,13,097
Less: Provision for doubtful debts		(15,14,612)	(14,13,097)
Total trade receivables		12,36,09,371	14,95,06,365
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		1,38,31,839	1,71,00,919
8.1 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.			
8.2 Trade receivables are non-interest-bearing.			
9 Cash and cash equivalents			
(a) Balances with banks			
i Current a/c balances with bank		2,15,131	4,73,918
ii Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments etc.		1,43,83,738	97,55,713
iii On unpaid dividend accounts		-	12,49,350
(b) Cash on hand		3,277	2,239
Total cash and cash equivalents		1,46,02,146	1,14,81,221
Notes			
9.1 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.			
9.2 The Company has pledged a part of its short-term deposits to fulfil collateral requirements.			

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
		₹	₹
10 Short-terms loans & advances			
(Unsecured, considered good, unless otherwise stated)			
Balance with statutory/government authorities			
(a) Excise, Service Tax / Export IGST	14,14,876	7,61,475	
(b) VAT Receivable	44,89,240	44,89,240	
(c) Advance recoverable in cash or kind	11,894	70,430	
(d) Advance to suppliers	5,47,122	12,31,429	
(e) Loans & Advances to former related parties	-	1,95,008	
Total loans	64,63,132	67,47,582	
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			
10.1 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.			
11 Other current assets			
(a) Advance Tax & TDS	2,60,31,589	2,10,53,374	
(b) Less: Provision for taxation	(2,49,05,892)	(1,75,77,496)	
Total other current assets	11,25,697	34,75,878	
11.1 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 business atleast equal to the amount at which they are stated.			
12 Share capital			
12 Authorized Share capital			
Equity Shares			
(a) Number of shares authorized	1,25,00,000	1,25,00,000	
(b) Amount of shares authorized	12,50,00,000	12,50,00,000	
(c) Par value per share	10	10	
4% Redeemable Non-cumulative Preference Shares			
(a) Number of shares authorized	7,50,000	7,50,000	
(b) Amount of shares authorized	75,00,000	75,00,000	
(c) Par value per share	10	10	
Total Share Capital			
(a) Number of shares authorized	1,32,50,000	1,32,50,000	
(b) Amount of shares authorized	13,25,00,000	13,25,00,000	
Issued, Subscribed & Fully-paid up Share capital			
Equity Shares			
(a) Number of shares authorized	1,09,39,400	1,09,39,400	
(b) Amount of shares authorized	10,93,94,000	10,93,94,000	
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	1,09,39,400	1,09,39,400	
(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	1,09,39,400	1,09,39,400	

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹	₹
Equity share capital at the end of the year	10,93,94,000	10,93,94,000
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 P Ltd.		
Number of shares	72,00,618	72,00,618
Percentage	65.82%	65.82%
(b) A K Jindal		
Number of shares	7,25,000	7,25,000
Percentage	6.63%	6.63%
(c) Investor Education And Protection Fund Authority Ministry Of Corporate Affairs		
Number of shares	7,39,801	6,38,101
Percentage	6.76%	5.83%
Terms/ rights attached to equity shares		
The company has only one class of equity shares having par value of Rs 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 1,02,000 (P.Y. 59,100) equity shares to the Investor Education & Protection Fund		
13 Other equity		
(a) Capital Redemption Reserve	50,00,000	50,00,000
(b) Capital Reserve: State Capital Subsidy	30,00,000	30,00,000
(c) General reserve	1,60,99,846	1,60,99,846
(d) Retained earnings	16,50,34,499	13,28,59,384
Total other equity	18,91,34,345	15,69,59,230
The Company has not made any cash / non-cash distribution to its shares holders during both the years.		
14 Non-current borrowings secured		
(a) Corporate term loans from banks		
IndusInd Bank		1,33,24,350
(secured by exclusive charge on all the present & future fixed and current assets of the Company and by a corporate guarantee issued by the Company's Holding Company)		
Total non-current borrowings secured	-	1,33,24,350
15 Long term Provisions		
(a) Gratuity	63,98,218	63,10,740
Liability under the Payment Of Gratuity Act, 1972 has been actuarially valued. However the liability is not funded externally.		
(b) Leave encashment	8,64,790	6,31,172
Privilege Leave entitlements liability has been actuarially valued. However the liability is not funded externally		
Total long-term provisions	72,63,008	69,41,912

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
		₹	₹
16 Deferred tax liabilities (net)			
Deferred tax liabilities			
i Fixed Assets: Impact of Difference between income tax depreciation & depreciation charged for the financial statements		1,33,09,092	1,25,47,612
Total deferred tax liabilities (net)		1,33,09,092	1,25,47,612
17 Other non-current liabilities			
(a) Security Deposits		20,000	20,000
Total other non-current liabilities		20,000	20,000
18 Current borrowings secured			
Working capital limits from banks			
IndusInd Bank CC A/C 650014109271		(25,52,275)	2,88,94,907
Total current borrowings		(25,52,275)	2,88,94,907
18.1 Short term borrowings for working capital requirements 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 Shri. K.B. Jindal and corporate guarantee of the holding company Western India Forgings Pvt.Ltd. The cash credit is repayable on demand and carries interest rate ranging from 9.50% to 10%			
19 Trade payables			
(a) Related parties		1,95,139	2,14,145
(a) Other than related parties		8,44,41,824	8,45,44,232
Total trade payables		8,46,36,963	8,47,58,377
Balance of Sundry Creditors are subject to confirmation/ reconciliations.			
20 Other financial liabilities			
(a) Unclaimed dividends		-	12,49,350
(b) Statutory liabilities		29,06,492	27,58,417
(c) Other liabilities		35,06,076	53,72,992
Total other financial liabilities		64,12,568	93,80,760
Note: Trade payables & all liabilities are non-interest-bearing, unless specified otherwise in the contract.			
21 Other current liabilities			
(a) Current maturities of long-term debt		-	30,74,850
(b) Advance from customers		49,71,016	46,24,289
(c) Employee benefits payable		26,62,040	21,75,739
Total other current liabilities		76,33,056	98,74,878
22 Provisions			
Provision for employee benefits			
(a) Gratuity		21,15,857	5,48,213
(b) Leave encashment		1,27,699	71,072
Total provisions		22,43,556	6,19,285

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹	₹
23 Contingent Liabilities not provided for:		
(a) Guarantees & letters of credit issued by bankers on behalf of the Company	8,17,51,364	4,12,96,137
Total Contingent Liabilities not provided for	8,17,51,364	4,12,96,137
Note: The above table shows the voluntary disclosure of provisions for the comparative period as Ind AS 37 .84 does not require such disclosure.		
24 Revenue from operations (net of taxes)		
Revenue from		
Company other than a finance company		
(a) Revenue from sale of products		
Gross sales		
i Export	1,72,35,885	2,84,55,263
ii Domestic	33,01,03,311	41,56,04,786
(b) Other operating revenues		
Export benefits		
i Sale of Scrap	2,25,91,889	1,47,97,986
ii Job work	3,44,62,447	4,99,18,035
iii Sale of Consumables	36,400	-
Total revenue from operations (net of taxes)	40,44,29,932	50,87,76,069
25 Other income		
(a) Interest on IT Refund	-	61,104
(b) Interest on fixed deposits with banks	7,58,858	5,12,959
(c) Excess Provision Written Back	1,94,947	-
(d) Foreign exchange Gain	(2,51,480)	1,04,698
(e) Miscellaneous Income	3,01,355	4,83,448
(f) Sundry balance written back	7,50,317	-
Total at the end of the reporting period	17,53,997	11,62,209
26 Cost of material consumed - Alloy & Steel Ingots		
(a) Inventory at the beginning	2,18,58,872	2,54,11,400
(b) Add: Purchase of RM steel	22,26,42,755	26,73,82,165
(c) Less: Inventory at the end	(2,79,24,168)	(2,18,58,872)
Total at the end of the reporting period	21,65,77,459	27,09,34,693
27 Changes in Inventories		
<i>Inventories at the end of the year</i>		
(a) Work in progress	(5,12,03,013)	(3,19,91,708)
(b) Scrap	(20,19,310)	(23,05,755)
<i>Inventories at the beginning of the year</i>		
(a) Work in progress	3,19,91,708	3,22,89,243
(b) Scrap	23,05,755	12,20,970
Total at the end of the reporting period	(1,89,24,860)	(7,87,250)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹	₹
28 Manufacturing Expense		
(a) Power and Fuel	6,82,98,210	8,87,14,191
(b) Consumption of Stores and Spares Parts	51,11,883	91,53,693
(c) Process & conversion expenses	47,83,278	51,08,348
(d) Freight and Forwarding Charges	57,47,219	85,01,647
(e) Labour Charges-Manufacturing	14,71,669	11,09,401
(f) Quality Control Expenses	7,86,308	9,39,321
(g) Security Expenses	10,30,412	8,79,621
(h) Purchase of Packing Material	4,52,134	4,40,989
(i) Repairs to Plant and Machinery		1,70,140
(j) Other Manufacturing Expenses	72,770	90,230
Total Manufacturing expenses	8,77,53,884	11,51,07,581
29 Employee Benefit Expenses		
(a) Salaries, Wages, Bonus etc.	3,20,64,876	2,88,90,757
(b) Directors' Remuneration	41,40,000	39,80,200
(c) Contribution to Provident & Other Funds	15,37,186	14,13,123
(d) Gratuity expense	8,59,520	8,54,489
(e) Staff Welfare	4,96,387	5,71,891
Total employee benefits expenses	3,90,97,969	3,57,10,460
30 Office & administration expenses		
(a) Professional Fees	40,33,619	28,35,379
(b) Insurance	12,15,554	11,61,408
(c) Directors Sitting Fees	9,00,000	8,10,000
(d) Deposits / Advances written off	13,06,960	-
(e) Repairs Other Assets	4,61,890	4,77,929
(f) Office space charges	4,20,000	4,20,000
(g) Services for mailing and internet	3,63,042	4,19,961
(h) License and Application Fees	3,80,974	3,25,279
(i) Listing Fees (Stock Exchange)	3,00,000	3,00,000
(j) Telephone expenses	2,57,705	2,57,173
(k) Courier Charges	53,351	1,97,605
(l) Rates & Taxes	1,05,030	1,71,915
(m) Stamp & Hundi Papers	33,840	58,950
(n) General Meeting Expenses	1,60,400	77,244
(o) Indirect taxes	51,844	-
(p) Auditors' Remuneration :		
Internal Audit Fees	25,000	1,00,000
Audit fees	3,15,000	3,15,000
Tax Audit Fees	35,000	35,000
(q) Other administrative expenses	1,90,622	5,10,496
Total office & administration expenses	1,06,09,831	84,73,338

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹	₹
31 Selling expenses		
(a) Commission & Brokerage	37,34,634	39,19,360
(b) Travelling and Conveyance	7,09,247	7,36,555
(c) Provision for Doubtful Debts	1,01,515	
(d) Advertisement & Publicity	1,02,760	81,390
(e) Bad Debts	12,515	
(f) Sales promotion expenses	18,181	1,31,971
Total selling expenses	46,78,852	48,69,276
32 Finance Costs		
(a) Interest on borrowings from Banks	44,88,002	55,69,233
(b) Bank Charges	17,00,032	6,77,360
(c) Interest for delayed payment of TDS	26,832	
Total finance costs	62,14,866	62,46,593
33 Depreciation and amortization expense		
(a) Depreciation expense	1,55,02,693	1,34,41,595
(b) Amortization expense	81,990	81,990
Total depreciation and amortization expense	1,55,84,683	1,35,23,585
34 Corporate Social Responsibility Expenses		
(a) Amount to be spent	6,79,214	
(b) Amount actually spent	6,87,610	
Total Corporate Social Responsibility Expenses	6,87,610	
35 Earnings Per Share (EPS):		
Earnings per share is calculated in accordance with the Ind AS 33		
Particulars		
Profit after tax (₹)	3,58,13,761	4,57,10,068
Weighted Average Number of Equity shares	1,09,39,400	1,09,39,400
Nominal Value of Equity Share (₹)	10.00	10.00
Basic and Diluted Earnings Per Share (₹)	3.27	4.18

Particulars		2020-21	2019-20
		₹	₹
36 Additional Information			
Particulars			
A Value of imports calculated on C.I.F basis			
Raw materials & consumables		2,46,75,852	8,00,13,508
B Expenditure in foreign currency			
Professional and consultation fees		34,452	5,04,000
Royalty			
C Total value of all indigenous raw materials, spare parts and components similarly consumed			
Raw materials		19,19,01,607	19,09,21,184
Stores, spare parts & components		51,11,883	91,53,693
Total		19,70,13,490	20,00,74,877
Grand Total			
Raw materials		21,65,77,459	27,09,34,693
Stores, spare parts & components		51,11,883	91,53,693
Total		22,16,89,342	28,00,88,386
The percentage of indigenous items to the total consumption		88.87%	71.43%
The percentage of imported items to the total consumption		11.13%	28.57%
D Earnings in foreign exchange			
Export of goods on F.O.B. basis		1,72,35,885	2,84,55,263
Total		1,72,35,885	2,84,55,263
37 Disclosure of office space & infrastructure sharing arrangement			
The Company has an office space & infrastructure sharing arrangement with its holding company. The monthly charges payable in respect of such arrangement are Rs.35,000/- plus GST.			
The office space charges debited to the Statement of Profit & Loss is		4,20,000	4,20,000
38 Disclosures pursuant to Ind AS - 19 "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		14,24,432	13,13,751
b) Superannuation Fund		11,200	-
		14,35,632	13,13,751
(B) Defined Benefit Plan:			
The following tables set out disclosures prescribed by Ind AS 19 in respect of Company's unfunded gratuity plan & leave encashment 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 Company operates a leave encashment scheme 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			

I Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	2020-21	2020-21	2019-20	2019-20
	Leave encashment	Gratuity	Leave encashment	Gratuity
Present value of Obligation at the beginning of the year	7,02,244	68,58,953	6,45,701	55,74,392
Current Service Cost	81,913	4,34,265	98,216	3,84,951
Interest Cost	42,796	4,25,255	48,246	4,13,051
Benefits Paid	(23,962)	-	(25,588)	(2,79,033)
Remeasurement of obligations- (Gain)/ Loss	1,89,498	7,95,602	(64,331)	7,65,592
Present value of Obligation at the end of the year	9,92,489	85,14,075	7,02,244	68,58,953

II Amounts recognised in the balance sheet are as follows:

Particulars	2020-21	2020-21	2019-20	2019-20
Current liability	1,27,699	21,15,857	71,072	5,48,213
Non- current liability	8,64,790	63,98,218	6,31,172	63,10,740
Net (Asset) / Liability recognised in Balance Sheet	9,92,489	85,14,075	7,02,244	68,58,953

III Expense recognized in the Statement of Profit and Loss Account are as follows:

Particulars	2020-21	2020-21	2019-20	2019-20
Current Service Cost	81,913	4,34,265	98,216	3,84,951
Interest Cost	42,796	4,25,255	48,246	4,13,051
Remeasurement cost / (credit) for the year	1,89,498	7,95,602	(64,331)	7,65,592
Expense / (Income) recognised in the Statement of Profit & Loss	3,14,207	16,55,122	82,131	15,63,594

IV Principal Actuarial Assumptions at the balance sheet date:

Particulars	2020-21	2020-21	2019-20	2019-20
Economic Assumptions:				
Discount Rate (per annum)	6.40%	6.40%	7.50%	7.60%
Basic salary increases allowing for price inflation etc.	5.00%	5.00%	5.00%	5.00%
Withdrawal Rate	5.00%	5.00%	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.

39 The year-end foreign currency (FC) exposures that are unhedged by a derivative instrument or otherwise are as follows:

Particulars	31-Mar-21		31-Mar-20	
Receivables in foreign currency	Rs. 28,42,608	USD 38,830	Rs.54,59,520/-	USD 72,480
Advance from customers	Rs. 24,50,588	USD 33,475	Rs.26,96,564/-	USD 35,799

40 Related party disclosures
1 Names of related parties where control exists and related party relationship

Holding company		Western India Forgings Pvt. Ltd.	
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	Satish Kadrolli	Company Secretary
Relatives of key management personnel	1	Late Shri. K. B. Jindal	
	2	Mrs. Shruti A Jindal	
	3	Ms. Arushi A Jindal	
	4	Mrs. Renu Agarwal	
Enterprises owned or significantly influenced by key management personnel or their relatives	1	Kran Rader Pvt. Ltd.	
	2	Arya Associates	
	3	Orient Precision Engineering Pvt, Ltd.	

2 Related party transactions

Particulars		2020-21	2019-20
		₹	₹
BALANCE SHEET ITEMS:			
a	Equity Contribution		
	Western India Forgings Pvt. Ltd.	7,20,06,180	7,20,06,180
	A. K. Jindal	72,50,000	72,50,000
	Sub total	7,92,56,180	7,92,56,180
b	Balance (Receivable) / Payable at year end		
	Western India Forgings Pvt. Ltd.	(1,38,31,839)	(1,71,00,919)
	Orient Precision Engineering Pvt. Ltd.	1,95,139	2,14,145
	Sub total	(1,36,36,700)	(1,68,86,774)
c	Purchase of Machinery		
	Western India Forgings Pvt. Ltd.		26,36,725
	Sub total	-	26,36,725
	Total of Balance Sheet Items	6,56,19,480	6,50,06,131
PROFIT & LOSS ITEMS			
a	Sales of goods & services		
	Western India Forgings Pvt. Ltd.	4,11,76,076	6,18,11,291
	Sub-total	4,11,76,076	6,18,11,291
b	Purchases of goods & services		
	Western India Forgings Pvt. Ltd.	1,54,66,830	2,79,29,883
	Orient Precision Engineering Pvt. Ltd.	11,37,798	
	Sub-total	1,66,04,628	2,79,29,883
c	Machining charges		
	Western India Forgings Pvt. Ltd.	8,417	30,63,722
	Sub-total	8,417	30,63,722
d	Remuneration paid during the year		
	N S Rajore	41,40,000	39,80,200
	Mr. Shubham Jindal	7,26,000	6,60,000
	Shruti Patil	4,48,670	6,05,278
	Satish Kadroli	1,16,665	
	Sub-total	54,31,335	52,45,478
e	Office Charges		
	Western India Forgings Pvt. Ltd.	4,20,000	4,20,000
	Sub-total	4,20,000	4,20,000
f	Director's Sitting Fees		
	A. K. Jindal	3,00,000	2,70,000
	R. T. Goel	3,00,000	2,70,000
	Sudha Santhanam	3,00,000	2,70,000
	Sub-total	9,00,000	8,10,000
g	Sales Commission		
	Western India Forgings Pvt. Ltd.	36,32,539	35,69,372
	Sub-total	36,32,539	35,69,372
	Total of Profit & Loss Items	6,81,72,995	10,28,49,746
	Grand Total	13,37,92,475	16,78,55,877

44 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:

	31-Mar-21		31-Mar-20	
	Within India	Outside India	Within India	Outside India
Segment Revenue	38,71,94,047	1,72,35,885	48,03,20,806	2,84,55,263
Addition to fixed assets	14,50,229		3,02,21,220	
Carrying value of assets	41,74,94,313		43,27,15,310	

45 Estimation of uncertainties relating to the global health pandemic from COVID-19 & Risk assessment by the Company:

- a) The World Health Organisation in February 2020 declared COVID 19 as a pandemic. The pandemic has been rapidly spreading throughout the world, including India. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Company's manufacturing plants and offices also had to be closed down for a considerable period of time, including after the year end. As a result of the lockdown, the likely revenue from the month of April 2020 has been impacted. The Company is monitoring the situation closely taking into account directives from the Government.
- b) Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the financial statements. However, given the effect of these lockdowns on the overall economic activity in India and in particular on the forging industry and the Company's customers, the impact assessment of COVID-19 on the above mentioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.
- c) **The Company's business:** Whereas the Company's business has certainly been adversely impacted by the COVID 19 pandemic like all businesses, such impact has been indirect. The impact is not as severe as in the case of business which were directly impacted such travel & tourism, restaurants etc.
- d) **Property, plant & equipment & intangible assets:** The management have assessed current and forecasted financial performance of the Company and the current market value of the assets to determine whether carrying value of property, plant and equipment has suffered any impairment. Impairment assessment is based on estimates of future financial performance or opinions that may represent reasonable expectations at a particular point of time. Such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary and the variations may be material. In the considered opinion of the management, the COVID 19 pandemic has not adversely impacted the recoverable values of its property, plant and equipment, right-of-use assets, intangible assets, intangible assets under development, financial assets and the net realizable values of other assets.
- d) **Inventories:** Physical verification of inventory has been carried out by the management subsequent to year end due to lockdown restrictions imposed by the Government of India consequent to the outbreak of coronavirus (Covid-19) for which roll back procedures have been performed to determine the existence as at year end. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- e) **Receivables:** The management have also considered subsequent collections and other information for its customers to estimate the probability of default in future and have taken into account estimates of possible effect from the Covid-19. The management have identified allowance for doubtful debts as a key audit matter because of the significance of Trade Receivables balance to the standalone financial statements and considering that the Management exercises significant judgment in estimating the allowance for doubtful debts.

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):

Sr. No.	Particulars	2020-21	2019-20
(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

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

Director

DIN: 00121523

Shubham Jindal

Chief Financial Officer

S. M. Ghatpande

Partner

Membership No. 30462

UDIN: 21030462AAAACG8776

Nitin Rajore

Whole-time Director

DIN: 01802633

Satish Kadrolli

Company Secretary

M No. A43677

Place : Pune

Date : June 26, 2021

Place : Pune

Date : June 26, 2021

INVITATION TO THE MEMBERS

Dear Members,

You are cordially invited to attend the **31st Annual General Meeting** (“AGM”) of Rajkumar Forge Limited (“the Company”) which is scheduled to be held on **Monday, 20th September 2021 at 12.00 PM (IST)** through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”).

The Notice of the meeting, containing business to be transacted, along with Explanatory Statement thereon is enclosed herewith.

As per Section 108 of the Companies Act 2013, read with the related Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice before or during the meeting. The instructions for e-voting are enclosed herewith AGM Notice.

Sincerely,

For Rajkumar Forge Limited

Satish Kadrolli
Company Secretary

Enclosures -

- Notice of the 31st AGM
- Instructions for members for remote e-voting and joining AGM.
- Instructions for members for e-voting on the day of the AGM.
- Instructions for members for attending the AGM VC/OAVM.
- Explanatory Statement as per Section 102 of the Companies Act, 2013.

NOTICE

Notice is hereby given that the 31st Annual General Meeting (“AGM”) of the Members of **Rajkumar Forge Limited** (“the Company”) will be held on **Monday, September 20, 2021 at 12.00 p.m. (IST)** through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), 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, 2021 together with Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Arun Krishankumar Jindal (DIN: 00121523), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**3. Re-Appointment of Mr. Nitin Shyam Rajore (DIN: 01802633) as the Whole Time Director:**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (“the Act”) if any and the rules made there under read with Schedule V to the Act and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article of Association of the Company and subject to approval of Central Government on such terms, conditions and modification, if any and based on recommendation of the Nomination and Remuneration Committee, consent of the Company be and hereby accorded for the re-appointment of Mr. Nitin Shyam Rajore holding Director Identification Number 01802633 as Executive Director to be designated as Whole Time Director of the Company, who is eligible for the said re-appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from member proposing his candidature for the office of Director, with effect from December 01, 2021 for the further period of five years and who would be liable to retire by rotation on the following terms and conditions:

Terms & Conditions:

1. **Term:** Five Years with effect from December 01, 2021.
2. **Remuneration:** In terms of Schedule V of the Companies Act, 2013 read together with Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Whole Time Director shall be paid the following remuneration:
 - i. Basic Salary: Rs. 3,72,600/- per month
 - ii. Perquisites: In addition to above, the Whole Time Director shall be entitled to the following perquisites with an option to the Whole Time Director to receive the perquisites in any lawful combination as mutually agreed between him and the Board.
 - a. Driver’s Salary not exceeding Rs. 20,000/- per month;
 - b. Company’s car will be provided and maintenance whereof to be borne by the Company;
 - c. Mobile Handset and Telephone Expenses; and
 - d. Reimbursement of Mediciam premium up to Rs. 50,000/- per annum for self and family.
 - e. Any other allowance, benefits and perquisites as per the Rules applicable to senior executives of the Company and/ or which may be applicable in the future and/or any other allowance, benefit, perquisite as the Board of Directors may decide from time to time.
 - iii. **Commission:** Nil
 - iv. **Remuneration in the event of loss etc.:** Notwithstanding anything contained herein, in the event of any loss or absence or inadequacy of profit in any financial year, during the term of office of the Whole Time Director, the Company may subject to requisite approval, if any required, pay to the Whole time Director the such remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board from time to time by way of salary, perquisites, commissions and other benefits as minimum remuneration and that the perquisites pertaining to contribution to provident fund, super annuation fund, gratuity and leave encashment, if any as per policy of the Company shall not be included in the computation of the ceiling of remuneration Specified in Schedule V of the Act.

3. Other Terms and Conditions:

- a. The terms and conditions of the said appointment including the remuneration may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the limits stipulated under the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required.
- b. Nature of Duties: Mr. Nitin Rajore shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
- c. This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration, which shall be limited to provision of Salary, Benefits, Perquisites, Allowances, in lieu of such notice.
- d. The employment of the Executive Director, may be terminated by the Company without notice or payment in lieu of notice:
 - if the Executive Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required by the Agreement to render services; or
 - in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Executive Director, of any of the stipulations contained in the Agreement to be executed between the Company and the Executive Director; or
 - in the event the Board expresses its loss of confidence in the Executive Director.

RESOLVED FURTHER THAT any one of the Director or Company Secretary of the Company be and is hereby authorized to take such steps as may be necessary, desirable and expedient to give effect to the above resolution."

4. Re-appointment of Mr. Ratanlal Tikaram Goel (DIN: 07663394) as independent director for second term:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the rules made there under and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on recommendation of the Nomination & Remuneration Committee and Board of Directors of the Company, Mr. Ratanlal Tikaram Goel holding Director Identification Number 07663394, who was appointed as an Independent Director of the Company and who holds the office of the Independent Director upto November 30, 2021 and who is qualified & eligible to be re-appointed as an Independent director as per declarations submitted by him to the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years starting from December 01, 2021 upto November 30, 2026 and who would not be liable to retire by rotation.

RESOLVED FURTHER THAT any one of the Director or Company Secretary of the Company be and is hereby authorized to take such steps as may be necessary, desirable and expedient to give effect to the above resolution."

5. Re-appointment of Ms. Sudha Santhanam (DIN: 06579108) as independent director for second term:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the rules made there under and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on recommendation of the Nomination & Remuneration Committee and Board of Directors of the Company, Ms. Sudha Santhanam holding Director Identification Number 06579108, who was appointed as an Independent Director of the Company and who holds the office of the Independent Director upto May 14, 2022 and who is qualified & eligible to be re-appointed as an Independent director as per declarations submitted by her to the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, be and is hereby re-appointed as an Independent Director of the Company for a second

term of five consecutive years starting from May 15, 2022 upto May 14, 2027 and who would not be liable to retire by rotation.

RESOLVED FURTHER THAT any one of the Director or Company Secretary of the Company be and is hereby authorized to take such steps as may be necessary, desirable and expedient to give effect to the resolution."

By Order of the Board

For RAJKUMAR FORGE LIMITED

Satish Kadrolli

Company Secretary & Compliance Officer

M. No. A43677

Date: August 14, 2021

Place: Pune

Registered Office:

Office No. 511 to 513, Global Square,

S. No. 247, 14B, Yerawada, Pune

Maharashtra India-411006

CIN: L28910PN1990PLC056985

Website: <https://rkforge.in/>

E-mail ID: secretarial@rkforge.in

NOTES:

- 1) In view of the continuing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020 issued by the Ministry of Corporate Affairs ("MCA") followed by Circular No. 20/2020 dated 5th May 2020, and Circular No. 02/2021 dated 13th January 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual general meeting ("AGM") through Video Conferencing/ other audio-visual means ("VC/OAVM"), without physical presence of the members at common venue. Further, Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and circular no. SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as "SEBI Circulars") also permitted the holding of the Annual General Meeting through VC / OAVM, without the physical presence of the Members at a common venue. In compliance of MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM ("AGM" or "e-AGM"). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM . The detailed procedure for participating in the meeting though VC/OAVM is annexed herewith.
- 2) The Board of Directors at its meeting held on June 26, 2021 has decided that the special businesses set out under item no. 3 to 5, being considered 'unavoidable', be transacted at the e-AGM of the Company
- 3) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), setting out the material facts of special business mentioned in item no. 3 to 5 of the Notice is annexed hereto. The relevant details, pursuant to Regulation 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Companies Secretaries of India, in respect of Director seeking appointment at this AGM is annexed herewith.
- 4) The company has appointed National Securities Depository Limited ("NSDL"), to provide Video Conferencing facility for the e-AGM and the attendant enablers for conducting of the e-AGM
- 5) Pursuant to the provisions of Section 91 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, September 14, 2021 to Monday, September 20, 2021** (both days inclusive).
- 6) Pursuant to the provisions of the Act, a member entitled to vote at the AGM is entitled to appoint proxy to attend and vote on his / her behalf and proxy need not be a member. Since this AGM is being held pursuant to MCA Circulars and SEBI Circulars through VC, physical attendance of Members has been dispensed with. Further as per the said Circulars, facility of appointment of proxies by Members under Section 105 of the Act, will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

- 7) Since the AGM will be held through VC / OAVM, the Route Map is not annexed hereto
- 8) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 9) The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act. Members can attend and participate in the Annual General Meeting through VC / OAVM only.
- 10) The Company's Registrar and Transfer Agents for its Share Registry work (physical and electronic) are Link Intime India Private Limited. (Block No. 202, Akshay Complex, 2nd floor, near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001).
- 11) **Dispatch Of Annual Report Through Electronic Mode:** In line with the MCA Circulars, the Notice of the AGM along with the Annual Report 2020-21 has been uploaded on the website of the Company at www.rkforge.in. The Notice of the AGM along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company / Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. The Notice is also available on the website of the Stock Exchange, i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- 12) For members who have not registered their email id's so far, are requested to register their email id's for receiving all the communications including Annual Report, Notices from the Company electronically. Members are requested to respond to their messages and register their e-mail id and support the green initiative efforts of the Company.
- 13) Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of e-AGM, may temporarily get themselves registered with NSDL/Link InTime Pvt Ltd by clicking the link: https://linkintime.co.in/emailreg/email_register.html for obtaining the same.
- 14) Members can avail the facility of nomination in respect of securities held by them in physical form by filing form SH-13, as prescribed under Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 with the Company/RTA. Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.
- 15) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the MCA Circulars dated 8th April 2020, 13th April 2020 and 5th May 2020 the Company is providing facility of remote e voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- 16) AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
- 17) Members are requested to –
 - i. intimate to their Depository Participant (DP), changes if any, in their names, registered addresses, email address, telephone / mobile numbers, and / or changes in their bank account details, if the shares are held in dematerialized form.
 - ii. intimate to the Company's RTA, changes if any, in their names, registered addresses, email address, telephone / mobile numbers, and / or changes in their bank account details, if the shares are held in physical form (share certificates).
 - iii. Non-Resident Indian members are requested to inform Company's RTA / respective DPs, immediately of:
 - Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

- iv. consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
 - v. dematerialize their Physical Shares to Electronic Form (Demat) as in terms of Regulation 40 of the Listing Regulations, 2015, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. Accordingly, Company/ Link Intime Private Limited has stopped accepting any fresh lodgment of transfer of shares in physical form. Dematerialization of shares would help to eliminate risks associated with Physical Shares. Members can contact Registrar and Transfer Agents viz., Link Intime India Private Limited, Pune (Tel. No. 020-26160084) for assistance, if any, in this regard.
- 18) SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective DP. Members holding shares in physical form are requested to submit their self- attested PAN Copy and original cancelled Cheque indicating bank account details to the Company or its Registrar & Transfer Agents. In case of residents of Sikkim the members holding shares in physical form are requested to give self-attested a valid Identity proof issued by Government.
- 19) Pursuant to Regulation 36(3) of the Listing Regulations, the information about the Director proposed to be appointed is given in the Annexure I to the Notice.
- 20) All the documents referred to in the Notice and Explanatory Statement along with other relevant documents will be made available for inspection by the Members on the website of the Company during the meeting.
- 21) Members desirous of getting any information about the accounts and / or operations of the Company are requested to write to the Company at least seven days before the date of the Meeting through email on secretarial@rkforge.in. The same will be replied by the Company suitably.
- 22) Registration of email ID and Bank Account details:**
- In case the shareholder's email ID is already registered with the Company / its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.
- In case the shareholder has not registered his /her / their email address with the Company / its RTA / Depositories and or not updated the Bank Account mandate, the following instructions to be followed:
- i. Kindly log in to the website of our RTA, Link Intime India Private Limited, www.linkintime.co.in under Investor Services > Email / Bank detail Registration - fill in the details and upload the required documents and submit weblike for the same is: Link Intime India Pvt Ltd OR
 - ii. In the case of Shares held in Demat mode:
- The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
- 23) Members of the Company holding shares either in physical form or in electronic form as on the **cut-off date of Monday, September 13, 2021** may cast their vote by remote e-Voting. The remote e-Voting period commences on **Friday, September 17, 2021 at 9.00 a.m. (IST)** and ends on **Sunday, September 19, 2021 at 5.00 p.m. (IST)**. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before / during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of **Monday, September 13, 2020**.
- 24) Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Annual Report (including AGM Notice) and holds shares as on the cut-off date i.e. Monday, September 13, 2021 is requested to approach to RTA at enotices@linkintime.co.in or to Company at secretarial@rkforge.in
- 25) CS Nishad Umranikar (FCS: 4910, CP: 3070), Partner, MSN & Associates, Company Secretaries, Pune has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the e-voting process at the AGM in a fair and transparent manner.
- 26) The Scrutinizer shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a Director authorized by him in writing, who shall countersign the same. The Chairman or the authorized Director shall declare the result of the voting forthwith.
- 27) The results declared along with the Scrutinizer's Report shall be displayed at the Registered Office of the Company and uploaded on the Company's website www.rkforge.in as well as on the website of Link Intime India Private Limited after the same is declared by the Chairman / authorized person. The Results shall also be simultaneously forwarded to the BSE (Stock Exchange). Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Monday, September 20, 2021

23) In case of joint holders, the Members whose name appear first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER

The remote e-voting period begins on **Friday, September 17, 2021 at 09:00 A.M.** and ends on **Sunday, September 19, 2021 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Monday, September 13, 2021**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Monday, September 13, 2021**.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name, and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address at nishad@msnassociates.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Anubhav Saxena at evoting@nsdl.co.in

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@rkforge.in and sandip.pawar@linkintime.co.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@rkforge.in and sandip.pawar@linkintime.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER

Once the electronic voting is activated by the scrutinizer / moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the GM shall be the same person mentioned for Remote e-voting

SPEAKER REGISTRATION

1. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request at secretarial@rkforge.in from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at between **September 14 2021** (9:00 AM IST) and **September 17, 2021** (5:00 PM IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
6. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@rkforge.in . The same will be replied by the company suitably.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 3:****Re-Appointment of Mr. Nitin Shyam Rajore (DIN: 01802633) as the Whole Time Director**

The members at their General Meeting held on January 31, 2017 and September 27, 2017 had approved of the appointment and payment of remuneration to Mr. Nitin Shyam Rajore ("Mr. Rajore") as Whole Time Director of the Company for a period of 5 years from December 01, 2016 upto November 30, 2021. Further, Board of Directors of the Company at their meeting held on June 26, 2021, based on the recommendation of the Nomination & Remuneration Committee, re-appointed Mr. Rajore as the Whole Time Director of the Company for a period of five years with effect from December 01, 2021 on the terms of remuneration mentioned herein below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Act or any statutory amendment or relaxation thereof :

Remuneration: In terms of Schedule V of the Companies Act, 2013 read together with Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Managing Director shall be paid the following remuneration:

- i. Basic Salary: Rs. 3,72,600/- per month
- ii. Perquisites: In addition to above, the Whole Time Director shall be entitled to the following perquisites with an option to the Whole Time Director to receive the perquisites in any lawful combination as mutually agreed between him and the Board.

- a. Driver's Salary not exceeding Rs. 20,000/- per month;
- b. Company's car will be provided and maintenance whereof to be borne by the Company;
- c. Mobile Handset and Telephone Expenses; and
- d. Reimbursement of Mediciclaim premium up to Rs. 50,000/- per annum for self and family.
- e. Any other allowance, benefits and perquisites as per the Rules applicable to senior executives of the Company and/or which may be applicable in the future and/or any other allowance, benefit, perquisite as the Board of Directors may decide from time to time.

iii. Commission: Nil

- iv. Remuneration in the event of loss etc.:** Notwithstanding anything contained herein, in the event of any loss or absence or inadequacy of profit in any financial year, during the term of office of the Whole Time Director, the Company may subject to requisite approval, if any required, pay to the Whole time Director the such remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board from time to time by way of salary, perquisites, commissions and other benefits as minimum remuneration and that the perquisites pertaining to contribution to provident fund, super annuation fund, gratuity and leave encashment, if any as per policy of the Company shall not be included in the computation of the ceiling of remuneration Specified in Schedule V of the Act.

The main terms and conditions relating to the appointment of Mr. Rajore are as follows:

- a. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the limits stipulated under the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required.
- b. **Nature of Duties:** Mr. Nitin Rajore shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
- c. This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration, which shall be limited to provision of Salary, Benefits, Perquisites, Allowances, in lieu of such notice.
- d. The employment of the Executive Director, may be terminated by the Company without notice or payment in lieu of notice:
 - if the Executive Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required by the Agreement to render services; or
 - in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Executive Director, of any of the stipulations contained in the Agreement to be executed between the Company and the Executive Director; or
 - in the event the Board expresses its loss of confidence in the Executive Director.

This resolution is being proposed as a special resolution in view of, the relevant provisions of Schedule V to the Act requiring a special resolution for payment of minimum remuneration in the event of loss or inadequacy of profits.

Mr. Rajore satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. He is also not disqualified from being re-appointed as a Director in terms of section 164 of the Act. The Company has also received a notice in writing under Section 160(1) of the Act from member proposing his candidature for the office of Director.

Details of Mr. Rajore seeking re-appointment at the 31st Annual General Meeting pursuant to Regulation 36(3) of the Listing Regulations are provided in the "Annexure I" to the Notice.

Mr. Rajore has vast experience of over 40 Years of experience in the field of Manufacturing. Having regard to the experience and knowledge, the Directors are of the view that the re-appointment of Mr. Rajore as Whole Time Director will be beneficial to the functioning and future growth opportunities of the Company and the remuneration payable to him is commensurate with his abilities and experience. Accordingly, the Board recommends the resolution set forth in Item No. 3 for the approval of the Members.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Nitin Shyam Rajore under Section 190 of the Act.

Except Mr. Rajore, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

The Board recommends the resolution set forth in Item No. 3 for the approval of the Members as Special Resolution.

ITEM NO. 4:**Re-appointment of Mr. Ratanlal Tikaram Goel (DIN: 07663394) as independent director for second term**

Mr. Ratanlal Tikaram Goel ("Mr. Goel"), (DIN 07663394) age 59 years, was appointed as an Independent Director of the Company for the first term w.e.f December 01, 2016. He is a Chartered Accountant and Company Secretary by profession and holds a Master's degree in commerce and Bachelor's Degree in Law. He is specialized in the areas of Financial Management, Corporate Governance and tax planning with over 30 years of experience. Mr. Goel's first term of office as an Independent Director is upto November 30, 2021. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Goel being eligible and offering himself for re-appointment, is proposed to be reappointed as an Independent Director for a term of 5 (Five) consecutive years starting from December 01, 2021 upto November 30, 2026.

After considering the performance evaluation, the knowledge, acumen, expertise, experience and the substantial contribution by Mr. Goel to the Company during his first term of five years the Board of Directors is of the opinion that, Mr. Goel fulfils the conditions specified in the Companies Act, 2013 & rules made there under and the Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the management. The Board of Directors considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Goel as an Independent Director.

The Nomination and Remuneration Committee and the Board of Directors had recommended re-appointment of Mr. Gole for second term of 5 (five) years on the Board of the Company as an Independent Director, not liable to retire by rotation for the approval by the shareholders of the Company.

Mr. Goel is not disqualified from being appointed as the Director in terms of Section 164 of the Act. The Company has received declaration from Mr. Goel that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16 of Listing Regulations. The Company has also received a notice in writing under Section 160(1) of the Act from member proposing his candidature for the office of Director.

Details of Mr. Goel seeking re-appointment at the 31st Annual General Meeting pursuant to Regulation 36(3) of the Listing Regulations are provided in the "Annexure I" to the Notice.

Except Mr. Goel, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members as Special Resolution.

ITEM NO. 5:**Re-appointment of Ms. Sudha Santhanam (DIN: 06579108) as independent director for second term**

Mr. Sudha Santhanam ("Ms. Santhanam"), (DIN 06579108) age 62 years, was appointed as an Independent Director of the Company for the first term w.e.f May 15, 2017. She is a Chartered Accountant and Company Secretary by profession and holds a bachelor's degree in commerce. She is specialized in the areas of Financial Management, Corporate Governance and tax planning with over 30 years of experience. Ms. Santhanam's first term as an Independent Director is upto May 14, 2022. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Ms. Santhanam being eligible and offering herself for re-appointment, is proposed to be reappointed as an Independent Director for a term of 5 (Five) consecutive years starting from May 15, 2022 upto May 14, 2027.

After considering the performance evaluation, the knowledge, acumen, expertise, experience and the substantial contribution by Mr. Santhanam to the Company during her first term of five years the Board of Directors is of the opinion that, Ms. Santhanam fulfils the conditions specified in the Companies Act, 2013 & rules made there under and the Listing Regulations for her re-appointment as an Independent Director of the Company and is independent of the management. The Board of Directors considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Santhanam as an Independent Director.

The Nomination and Remuneration Committee and the Board of Directors had recommended re-appointment of Ms. Santhanam for second term of 5 (five) years on the Board of the Company as an Independent Director, not liable to retire by rotation for the approval by the shareholders of the Company.

Ms. Santhanam is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has also received declaration from Ms. Santhanam that she meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16 of Listing Regulations. The Company has received a notice in writing under Section 160(1) of the Act from member proposing her candidature for the office of Director.

Details of Ms. Santhanam seeking re-appointment at the 31st Annual General Meeting pursuant to Regulation 36(3) of the Listing Regulations are provided in the "Annexure I" to the Notice.

Except Ms. Santhanam, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members as Special Resolution.

By Order of the Board

For RAJKUMAR FORGE LIMITED

Satish Kadrolli

Company Secretary & Compliance Officer

M. No. A43677

Date: August 14, 2021

Place: Pune

Registered Office:

Office No. 511 to 513, Global Square,

S. No. 247, 14B, Yerawada, Pune

Maharashtra India-411006

CIN: L28910PN1990PLC056985

Website: <https://rkforge.in/>

E-mail ID: secretarial@rkforge.in

ANNEXURE I TO ITEM NO. 03, 04 & 05 OF NOTICE

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standard 2 issued by the Institute of Company Secretaries of India and Additional Information as required under Schedule V of the Act, following information is furnished about the Directors proposed to be re-appointed:

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	2018-19 (₹ In lacs)	2019-20 (₹ In lacs)	2020-21 (₹ In lacs)
	Net Sales	5511.15	5087.76	4044.30
	Profit/(Loss) before Tax	390.18	558.60	439.04
	Net Profit/(Loss)	204.73	449.37	348.29
5	Foreign investments or collaborations, if any	NIL	NIL	NIL
II. Information about the appointee				
Name of Director	Mr. Arun Jindal	Mr. Nitin Shyam Rajore	Mr. Ratanlal Tikaram Goel	Ms. Sudha Santhanam
DIN	00121523	01802633	07663394	06579108
Date of Birth	November 11, 1960	May 09, 1961	February 09, 1962	May 28, 1959
Age	60 Years	60 Years	59 Years	62 Years
Date of First Appointment	December 01, 2016	December 01, 2016	December 01, 2016	May 15, 2017
Qualifications/ Brief Resume	BE. Mech Mr. Jindal has vast experience of forgings industry, He is also the Chairman and Managing Director of Western India Forgings Pvt Ltd.	BSc (Chemistry) Hons Mr. Rajore has total experience of 40 years in the field of Manufacturing which includes overall management, administration, and finance.	Chartered Accountant, Company Secretary, Master's in Commerce and Bachelor's in Law. Mr. R T Goel has total experience of more than 30 Years in field of finance and Corporate Legal.	Chartered Accountant, Company Secretary & Bachelor's in Commerce. Ms. Santhanam has total experience of more than 30 Years in field of finance and Corporate Legal
Disclosure of Relationship between Directors interse	Not related to any of the Directors	Not related to any of the Directors	Not related to any of the Directors	Not related to any of the Directors
Experience (including expertise in specific area)	Business Operations, Strategy & Planning, Finance, Leadership, Human Resource, Sales & Marketing, Risk Management	Business Operations, Strategy & Planning, Finance, Leadership, Human Resource, Sales & Marketing, Risk Management	Finance, Leadership, Governance, Strategy & Planning, Risk Management, Human Resource.	Finance, Governance, Leadership, Risk Management, Strategy & Planning.
Number of Board Meetings attended during the year	5	5	5	5

List of other Indian Companies in which Directorship is held as on March 31, 2021	Listed Companies: Nil Unlisted Companies: 1. Western India Forgings Pvt Ltd 2. Kran Rader Private Limited 3. Orient Precision Engineering Pvt Ltd	Listed Companies: Nil Unlisted Companies: 1. Tristar Polymers Private Limited 2. Matushree Holdings Private Limited	Listed Companies: Nil Unlisted Companies: Nil	Listed Companies: Nil Unlisted Companies: Nil
Terms and Conditions of re-appointment	As an Non-Executive Chairman, Liable to retire by rotation	As Executive Director to be designated as Whole Time Director for second term of 5 years commencing from December 01, 2021, liable to retire by rotation.	As Non-Executive, Independent Director for the second term of 5 years commencing from December 01, 2021, not liable to retire by rotation.	As Non-Executive, Independent Director for the second term of 5 years commencing from May 15, 2022, not liable to retire by rotation.
	Entitled for sitting fees only.	Entitled for Remuneration as mentioned in Resolution along with authority to Board to revise the same..	Entitled for sitting fees only.	Entitled for sitting fees only
Remuneration last drawn (including sitting fees, if any)	Rs. 3,00,000	Rs. 44,02,105	Rs. 3,00,000	Rs. 3,00,000
Remuneration proposed to be paid	Rs. 3,00,000 as sitting fees for attending Board Meetings only	Rs. 44,71,200 and perquisites as mentioned in the notice.	Rs. 3,00,000 as sitting fees for attending Board Meetings only	Rs. 3,00,000 as sitting fees for attending Board Meetings only
Number of Shares held in the Company as on March 31, 2021	7,25,000	75,500	0	0

III. Other Information

1	Reasons of inadequate profits	In wake of wide spread Pandemic which has seen the unprecedented effects on world as well as on the operations of the Company.
2	Steps taken or proposed to be taken for improvement	Company is well equipped to cater the forgings needs across the globe and also various steps have been taken by new management for achieving 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, the above initiatives are expected to improve the financial performance of the Company.

If Undelivered Please Return To :

RAJKUMAR FORGE LIMITED

Registered Office:

Office No. 511 to 513,
Global Square, S. No. 247, 14B,
Yerawada, Pune - 411006.

Email ID: secretarial@rkforge.in

Website: www.rkforge.in

Phone: 8956616160