
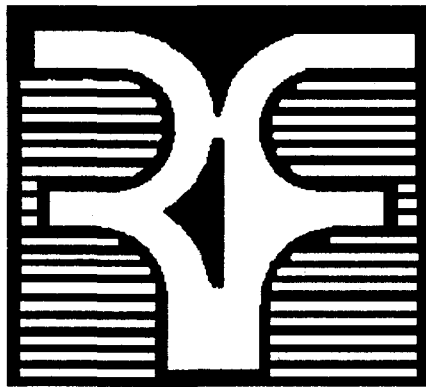

ANNUAL REPORT



2004-2005

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RAJKUMAR FORGE LIMITED

RAJKUMAR FORGE LIMITED**FIFTEENTH ANNUAL REPORT 2004-2005**

BOARD OF DIRECTORS : **R. S. Kothavale** Chairman & Managing Director
N. Ramakrishna
P. B. Kore
S. Siddheshwara
S. R. Kothavale

COMPANY SECRETARY : **Sonal R. Tiwari**

AUDITOR : **M/S Bapat & Company**
Chartered Accountants
Pune

BANKERS : **Bank of Baroda**

REGISTERED OFFICE : **18, Shivajinagar Co-Operative Housing Society Ltd.**
Off Senapati Bapat Road,
Pune - 411 016.

FACTORY : **Gat No. 357, Kharabwadi,**
Chakan - Talegaon Road,
Chakan - 410 501, Taluka - Khed
District - Pune

RAJKUMAR FORGE LIMITED**FIFTEENTH ANNUAL REPORT 2004-2005****NOTICE**

Notice is hereby given that the Fifteenth Annual General Meeting of the members of Rajkumar Forge Limited will be held on Saturday, the 18th day of June, 2005 at 11.00 A.M. at Poona Club, 6 Boat Club Road, Pune 411001 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March 2005, and the Profit and Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Shri. Ramakrishna Nidmarty who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri. Shantane R. Kothavale who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. The retiring auditor Mr. A.N. Bapat, Proprietor of M/s. Bapat & Company, has expressed his unwillingness for his re-appointment as an Auditor and therefore the Company proposes to appoint M/s. Bapat & Company, a partnership firm, Pune in his place to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company.

SPECIAL BUSINESS :

1. To consider and, if thought fit, to pass, with or without modification, the following resolution as **ORDINARY RESOLUTION**:
"RESOLVED that pursuant to the provisions of Section 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and in modification of resolution passed at the Fourteenth AGM held on 17th July 2004, the approval of the Company be and is hereby accorded for granting the following additional perquisite to Mr. R. S. Kothavale, the Managing Director, w.e.f. 1st April 2005 for the remaining tenure of his appointment:

PROVISION OF CAR FACILITIES: The Company shall provide car with chauffeur to be used for Company's business.

RESOLVED FURTHER that the other terms and conditions of his appointment shall remain unchanged".

2. To consider and, if thought fit, to pass, with or without modification, the following resolution as **SPECIAL RESOLUTION**:
"RESOLVED that pursuant to section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the company be altered in the following manner:

- (1) The following definitions be inserted in the following manner in Article No.2:
(a) After the definition of "Auditors" the following definition be inserted:
"Beneficial Owner" means a person or persons whose name is recorded as such with a depository;
(b) After the definition of "Debenture" the following definitions be inserted:
"Debenture holder(s)" or "holder(s) of debenture(s)" include beneficial owner of debentures.
"Depositories Act" means the Depositories Act, 1996 and any statutory modification or re-enactment thereof for the time being in force in India. "Depository" means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992;
(c) After the definition of "Persons" the following definition be inserted:
"Preference shareholder(s)" or "holder(s) of preference share(s)" include beneficial owner of preference shares;
(d) After the definition of "Seal" the following definition be inserted:
"SEBI" means the Securities & Exchange Board of India;
"Security" means such security as may be specified by SEBI from time to time.
(e) After the definition of "Share" the following definition be inserted:
"Shareholder(s)" or "holder(s) of share(s)" includes beneficial owner of share(s);
(f) The following definition be substituted in the place of existing definition of "Member"
"Member" means the duly registered holder of shares of the Company from time to time and includes subscribers to the Memorandum and Articles of Association of the Company and beneficial owner of the shares.
(2) After the existing Article 2 the following Article No.2A be inserted with the title given thereto:

DEMATERIALISATION OF SECURITIES

- 2A. (a) Applicability of relevant provisions of Depositories Act, 1996 : The relevant provisions of Depositories Act 1996 relating to securities with the depositories, beneficial owners in respect thereof and rights, responsibilities, transfers and other provisions made for such securities and beneficial owners are applicable to the securities of the company with the depositories, and those relevant provisions shall prevail over inconsistent provision, if any, in these articles.

- (b). Dematerialisation of Securities: Notwithstanding anything contained in these articles, the company shall be entitled to dematerialise its securities in a dematerialised form pursuant to the Depositories Act, 1996.
- (c) Option for investors: Every person subscribing to securities offered by the company shall have the option to receive security certificates or to hold the securities with a depository.
- (d) Allotment of Securities dealt with in a Depository: Notwithstanding anything in the Act or these articles, where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities."

NOTES:

- 1) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and proxy need not be a member.
- 2) The instrument appointing a proxy, in order to be effective, shall be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting. Proxies shall not have any right to speak at the meeting.
- 3) Members are requested to advise M/s. Intime Spectrum Registry Limited, Registrar and Transfer Agent of the Company, having its Head Office at C-13, Parvati Slt. Mile Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078 and having its Local Office at 102, Shree Vidyasand, Dr. Kulkarni Path, Eandwane, Near Old Kamateka High School, Pune 411 004 immediately of any change in their address.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from 7th June 2005 to 10th June 2005, both days inclusive.
- 5) It is learnt from M/s. Bapat & Company, the proposed statutory auditors that the partnership firm is newly constituted by the said name with the consent of Mr. A.N. Bapat, proprietor of Bapat & Company, who had confirmed so.
- 6) The explanatory statement, pursuant to Section 173 of the Companies Act, 1956 in respect of Item No. 1 & 2 of Special Business, is annexed hereto.

On behalf of the Board,

Place : Pune
Date : 8th April, 2005.

R.S.Kothavale,
Chairman & Managing Director.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956,**Item No.1**

The Remuneration Committee and the Board of Directors have, at their respective meetings held on 8th April 2005, approved the grant of the additional perquisite in addition to the existing remuneration and perquisites to Mr. R.S. Kothavale, Managing Director of the Company.

The following below mentioned perquisite be added in the agreement w.e.f. 1st April 2005 and up to the expiry of the term of his appointment and all other terms and conditions including perquisites remains unchanged."

PROVISION OF CAR FACILITIES: The Company shall provide car with chauffeur to be used for Company's business.

The aforesaid may be treated as an abstract of the revised terms of Shri R. S. Kothavale's appointment as Managing Director pursuant to Section 302 of the Companies Act, 1956.

None of the Directors except Mr. R.S. Kothavale and Mr. S.R. Kothavale are concerned or interested in the resolution.

Item No.2

The SEBI (Disclosure & Investor Protection) Guidelines 2000 has made it mandatory for all the listed Companies to make public or rights issue or an offer for sale of securities in a dematerialised form and allows an option to shareholders/investors to hold securities in physical or dematerialised form. Under the Depositories Act, 1996 the Company has to enter into an agreement with the depository to enable the investors to dematerialise their securities. Presently, the Articles of Association of your Company doesn't have any provision for shares in demat form so the Company proposes to seek your permission to amend the Articles of Association to provide for shares in Demat form.

Therefore, by this special resolution, the Company seeks your permission to amend by inserting Articles, as stated above in the resolution, in the Articles of Association of the Company.

None of the Directors of the Company is concerned or interested in the resolution.

The existing Memorandum & Articles of Association and other documents/and or letters as referred to in the Resolutions and in the Explanatory Statement annexed hereto are open for inspection by the Members at the Secretarial Department of the Company, on all working days between 10.30 A.M. to 12.30 P.M. upto the date of Annual General Meeting.

On behalf of the Board,

Place : Pune
Date : 8th April, 2005.

R.S.Kothavale,
Chairman & Managing Director.

RAJKUMAR FORGE LIMITED**FIFTEENTH ANNUAL REPORT 2004-2005****MANAGEMENT DISCUSSION AND ANALYSIS**

During the year under review, Indian economy has grown robustly. Heavy engineering sector has registered strong growth. Our industry is related to heavy engineering & equipment building industry and this market is quite vibrant. Competition is mostly between 4-5 players. Competition will continue to increase. Focus on exports as a strategy has helped the company to meet the challenges of competition.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

During the year under consideration, demand for heavy forgings continued to grow both in domestic market as well as export market. Domestically, industries such as steel, windmill, sugar, cement, power etc. were performing extremely well with the result demand for heavy forging showing big surge in their requirements.

Higher crude oil prices in the international market has given tremendous boost to oil field industry and thus our export market for this industry showed considerable increase in their requirement of heavy forgings.

Export performance of the company for the last three years is tabulated below:

Year	Export Value (Rs)	Total Sales Value(Rs)
2002-2003	2,91,51,849	6,43,60,811
2003-2004	4,89,30,657	11,35,06,993
2004-2005	10,70,94,981	17,68,48,658

OPERATIONS & FINANCIAL PERFORMANCE

Performance of sales & profit for the current year under review showed considerable improvement. Sales turnover improved by 56 % compared to last years sales. Following is the summary of performance.

Year ->	2004-2005 (Rs.Lacs)	2003-2004 (Rs.Lacs)	2002-2003 (Rs.Lacs)
Sales	1,768.48	1,135.07	643.61
Cost of Operation	1,504.00	948.07	674.91
Interest & Depreciation	144.35	100.48	108.37
Net Profit / Loss	120.13	86.52	(139.67)

GENERAL:

Company is registered under BIFR, case No.236/2003. As informed last year, financial institutions namely, IDBI & ICICI stand settled in respect of one time settlement and their charge also vacated with Registrar of Companies. During the year under review, negotiations were held with the remaining institution namely, IFCI. Revised one time settlement was reached in the month of October 2004 with IFCI and company agreed to pay Rs.251.20 Lacs as one time settlement to be paid in 12 months and the corresponding interest. Thus, company has to pay total of Rs.259.34 Lacs. Company has so far paid amount of Rs. 129.95 Lacs against total payment of Rs.259.34 Lacs, leaving balance of Rs.129.39 Lacs to be paid by monthly installments from April to November 2005. In view of this company has got the benefit of Rs. 447.11 Lacs by way of waiver of interest from IFCI. Thus, company's net worth is now positive. Company is taking steps to deregister itself with BIFR. By November 2005, company will be debt free company.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY:

Company has adequate internal control system to safeguard reliability in financial records and other records for preparing financial information.

CONCERNS & THREATS :

Steel prices have gone up considerably during last one year. Increase in Indian steel prices is much more than increase in the international market. Government has reduced DEPB benefits during the current year. Both these factors are likely to affect competitiveness in the Export market.

Rupee has appreciated by 3.96 % during the year. This may have adverse effect on competitiveness in our export orders. Company has taken rigorous cost cutting measures, particularly in energy consumption and raw material consumption. This will help to counter the adverse effects in competitiveness to some extent.

OUTLOOK :

During the year under review, we have successfully improved our export sales and also domestic sales. We hope to continue the same growth during next financial year. Company expects that similar trend will continue for next 3-4 years.

CAUTIONARY STATEMENT:

Statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual result might differ materially from those either expressed or implied.

HUMAN RESOURCES:

Company has concluded a new 3-year agreement with the duly elected representatives of the workers on 22nd June 2004, valid for period from 1st July 2004 till 30th June 2007. The company has total 60 people employed as on 31st March 2005. Company has very cordial industrial relations.

RAJKUMAR FORGE LIMITED**FIFTEENTH ANNUAL REPORT 2004-2005****REPORT ON CORPORATE GOVERNANCE.****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Rajkumar Forge Limited's philosophy on Corporate Governance aims at establishing and practising a system of good corporate governance which will assist the management in managing the company's business in an efficient and transparent manner for achieving the corporate objectives so as to provide best services in the best interests of the stakeholders like shareholders, employees, customers, suppliers, vendors etc.

This chapter of the Report, plus the information given under the Management Discussion and analysis and Shareholder Information constitutes such a compliance report on Corporate Governance for the year under review i.e. 2004-2005.

2. BOARD LEVEL ISSUES.**• Composition of the Board.**

The strength of Board was five Directors as on 31st March 2005, comprising of Chairman and Managing Director, who is an executive Director and 4 other Directors, of whom three are independent. Details are given in Table 1.

• Number of Board Meetings.

During the year, four (4) Board Meetings were held on 8th May 2004, 31st July 2004, 30th October 2004 and 31st January 2005.

• Directors' Attendance Record.

Table 1 gives the composition of the Board, the category of the Directors and their attendance record.

Table 1

Name of Director	Category	No. of Board Meetings held	No. of Board Meetings attended
R.S. Kothavale ** Chairman and Managing Director	Promoter Executive	4	4
N. Ramakrishna	Promoter, Non Executive, Independent	4	3
S. Siddheshwara	Non Executive, Independent	4	3
P.B. Kore	Promoter, Non Executive, Independent *	4	3
S.R. Kothavale	Non Executive	4	4

* Due to revision in Clause 49 of the Listing Agreement he ceases to be an independent director w.e.f. 1st April 2005.

** He ceases to be the Chairman of the Board w.e.f. 1st April 2005 and Mr P.B.Kore non-executive director is appointed as Chairman of the Board.

Table 1A shows the attendance of Directors at last Annual General Meeting.

Table 1 A

Name of Director	No. of General Meetings held	No. of General Meetings attended
R.S. Kothavale Chairman and Managing Director	1	1
N. Ramakrishna	1	Nil
S. Siddheshwara	1	1
P. B. Kore	1	Nil
S.R. Kothavale	1	Nil

Outside Directorships

Table 2 gives the details of the Outside Directorships and Committee positions as on 31st March 2005.

Table 2

Name of Director	Directorships in Public Limited Companies	Directorships in Private Limited Companies
R.S. Kothavale Chairman and Managing Director	Nil	3
N. Ramakrishna	Nil	2
S. Siddheshwara	Nil	2
P.B. Kore	1	1
S.R. Kothavale	Nil	1

None of the Directors are on the Board level Committees in any other company.

Information placed before the Board.

The Board of Rajkumar Forge Ltd. is presented with all relevant information on various vital matters affecting the working of the company in addition to the matters set out in Annexure IA of Clause 49 of the Listing Agreement. Also, extensive information is provided on various critical matters such as production, sales, exports, financial performance, foreign exchange exposure, staff matters, legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters, and other such matters.

3. AUDIT COMMITTEE.

The role and terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement with the Stock Exchanges, Section 292A of the Companies Act, 1956, other terms as may be referred by the Board of Directors and, inter-alia, includes the following:

- Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval etc.

The present Audit Committee comprises of 3 non-executive, financially literate Directors viz., Shri P. B. Kore, Shri S. Siddheshwara and Shri N. Ramakrishna. Out of these three directors Shri S. Siddheshwara and Shri N. Ramakrishna are independent. Shri S. Siddheshwara is the Chairman of the Committee having financial management expertise.

During the year under review, four meetings of the Audit Committee were held on 08.05.2004, 31.07.2004, 30.10.2004 and 31.01.2005. Meeting and attendance at the meetings is given below:

Name of Director	Category	No. of Board Meetings held	No. of Board Meetings attended
N Ramakrishna	Promoter, Non Executive, Independent	4	3
S Siddheshwara	Non Executive, Independent	4	3
P.B. Kore	Promoter, Non Executive, Independent	4	3

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The Audit Committee meetings are also attended by Managing Director and Accounts Officer. The Statutory auditors/representatives of the statutory auditors and the internal auditors also attend the Meetings of the Audit Committee. The Company Secretary acted as a Secretary of the Committee.

4. REMUNERATION COMMITTEE

The Board of Directors constituted Remuneration Committee at the Meeting of the Board of Directors held on 20th January 2004. The present Remuneration Committee comprises of three non-executive independent Directors, viz., Shri P.B. Kore, Shri S. Siddheshwara and Shri N. Ramakrishna with Shri S. Siddheshwara as the Chairman of the Committee. During the year 2004-2005, one meeting of the Remuneration Committee was held on 7th May 2004 and it was attended by all the three members of the Committee.

The broad terms of reference of the remuneration committee are as follows:

- To decide on the remuneration policy of the managerial personnel.
- To approve of the appointment/reappointment of the managerial personnel for such tenure as they may decide.
- To approve the remuneration package to the managerial personnel within the limits provided in Schedule XIII of the Companies Act, 1956 read with other applicable provisions of the said Act.

Such other powers/functions as may be delegated by the Board from time to time.

Remuneration to Directors.

The non-executive directors are not paid any remuneration except sitting fees of Rs.2,000/- per Board Meeting. The Remuneration Committee meeting held on 7th May 2004 has approved remuneration of Shri R.S.Kothavale, Managing Director for a further period of five years w.e.f. July 1, 2004. Also, the same has been approved by the shareholders at Fourteenth Annual General Meeting of the Company held on 17th July 2004. Details of the remuneration of the Directors is as given below:

Remuneration during the year 2004-2005.

Name of Director	Salary	Perquisites	Sitting Fees	Total
R.S. Kothavale Chairman & Managing Director	6,15,000	7,39,154	-	13,54,154
N. Ramakrishna	-	-	6,000	6,000
S. Siddheshwara	-	-	6,000	6,000
P.B. Kore	-	-	6,000	6,000
S.R.Kothavale	-	-	8,000	8,000

Notes: Salary = Basic salary only.

Perquisites include housing, reimbursement of medical expenses, leave travel concession, club fees, personal accident insurance and mediclaim, telephone and fax facilities, contributions to Provident Fund, Super Annuation fund, provision for gratuity and leave encashment.

Allowances include leave travel concession for the year, whether paid or provided.

There is no Stock Option Scheme of the Company for any director.

5. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee of the Board has been constituted to look into complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of Annual Report etc. The Committee is headed by Shri N. Ramakrishna as Chairman. The Committee comprises of Shri N. Ramakrishna and Shri S. Siddheshwara, both being the non-executive directors. Ms. Sonal R. Tiwari, Company Secretary, member of the Institute of Company Secretaries of India, is the Compliance Officer. The Compliance Officer can be contacted at:

Rajkumar Forge Limited.
18, Shivaji Housing Society,
Off Senapati Bapat Road,
Pune 411 016.
Tel: 25659050, 25659051, 25659052 (Ext: 44)
Fax: 25659049.
Email: rkforge@pn3.vsnl.net.in

The total number of complaints received and replied to the satisfaction of shareholders (36) and SEBI (2) during the year ended 31st March 2005 were 38 and there were no complaints outstanding as on 31st March 2005.

6. GENERAL BODY MEETINGS:

Location and time of last three Annual General Meetings are given below:

Date of the Meeting	Location	Time
16th November, 2002	Poona Club, 6 Boat Club Road, Pune : 411 001	11.00 A.M.
17th May, 2003	Poona Club, 6 Boat Club Road, Pune : 411 001	11.00 A.M.
17th July, 2004	Poona Club, 6 Boat Club Road, Pune : 411 001	11.00 A.M.

No special resolutions were passed in any of the above meetings by postal ballot or otherwise. Also, no extraordinary general meeting was held during the year under review.

7. PARTICULARS OF REAPPOINTMENT OF DIRECTORS:**1.Mr. Ramakrishna Nidmarty**

Mr. Ramakrishna Nidmarty is a post-graduate in Electronics Engineering. He has promoted M/s. Lectrotek System (Pune) Pvt. Ltd. in 1970 for designing, developing and manufacturing of microprocessor based Process Control Instruments, transducers and transmitters. He holds the directorship and membership of Committees of the Board in Lectrotek System (Pune) Pvt. Ltd. and Lecon Systems Pvt. Ltd. He is holding 90,100 Equity Shares of Rs.10/- each and his shareholding percentage is 0.82%.

2. Mr. Shantanu R. Kothavale

Mr. Shantanu R. Kothavale is graduate in electronics with computer as major from Santa Clara University, California, USA. He is having total 16 years of rich experience in various capacities in hardware and software in USA. Currently, he is holding position as VP Engineering in Riverstone Networks, Inc. Santa Clara, USA. He is holding 48,40,500 Equity Shares of Rs.10/- each and his shareholding percentage is 44.25%.

8. DISCLOSURES:

i) During the year under review, there were no materially significant related party transactions made by the Company with its Promoters, Directors or management that may have potential conflict with the interests of the Company at large. However, the company has entered into transaction with related party as follows:

The company has hired premises for its Registered Office from Late Shri A. S. Kothavale and Shri Ravi S. Kothavale, on a yearly rent of Rs.1,44, 000/- and has also paid Rs.71,676/- during the year under consideration towards reimbursement of Security charges. Late Shri A. S. Kothavale and Shri Ravi S. Kothavale are brothers of Shri R. S. Kothavale, Managing director of the company. Shri S.R. Kothavale has let out his bungalow to the company and during the year company has paid rent of Rs.1,27,500/-. Shri S. R. Kothavale himself is also a Director of the company and son of Shri R.S. Kothavale, Managing Director of the company.

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ii) During the last three years, there were no strictures or penalties imposed by either SEBI or the stock exchanges or any statutory authority for noncompliance of any matter related to the capital markets. However, the company has not complied with the following:

1. The company has not listed the shares issued on preferential allotment after the initial listing at The Stock Exchange, Mumbai and The Stock Exchange, Ahmedabad. However, the same has been listed at The Pune Stock Exchange Limited. We have filed necessary application at The Stock Exchange, Mumbai and The Stock Exchange, Ahmedabad and we are awaiting their permission.

2. The company has not dematerialized its shares. However, M/s. Intime Spectrum Registry Limited is appointed as R & T Agent and the process of dematerialisation has been initiated.

3. The Stock Exchange, Mumbai has suspended the trading w.e.f. 13th May 2002. The main condition for revocation of suspension is to demat the shares.

iii) The company has not framed any specific whistle blower policy. However, the company affirms that there were no instances of denying access to any personnel to the audit committee.

iv) Your company conforms to norms of Corporate Governance as envisaged in the Companies Act, 1956 and in the Listing Agreement with the Stock Exchanges. A report of the Corporate Governance, along with the certificate of compliance from the Auditors forms part of this report. However, the Company has not adopted the non-mandatory requirements as mentioned in Annexure – I D of Clause 49 of the Listing Agreement.

9. MEANS OF COMMUNICATION :

The Quarterly results were published in national daily newspapers -The Free Press Journal (English edition) and Navshakti (Marathi edition) on the following dates as given below:

1. Audited Financial results for the period ended on 31.03.2004 on 10.05.2004.
2. Unaudited Financial results-First quarter ended on 30.6.2004 on 1.8.2004.
3. Unaudited Financial results- Second quarter ended on 30.9.2004 on 1.11.2004.
4. Unaudited Financial results- Third quarter ended on 31.12.2004 on 1.02.2005.

The company sends notices to the shareholders regarding convening of General Meetings and intimation of registering changes in address by Ordinary Post. Share Certificates for transfer are sent by Registered Post AD. Communication with the Stock Exchanges, SEBI and the Registrar of Companies, Pune by Registered Post AD, Courier and fax.

The Management Discussion and Analysis Report forms part of this Annual Report.

10. GENERAL SHAREHOLDER INFORMATION:**Annual General Meeting:**

- | | |
|--------------------------------|---|
| i) Date and Time | : 18 th June 2005, 11.00 A.M. |
| Venue | : Poona Club, 6 Boat Club Road, Pune 411 001. |
| ii) Financial year | : 1 st April 2004 to 31 st March 2005. |
| iii) Date of Book Closure | : 7 th June 2005 to 10 th June 2005 (both days inclusive) |
| iv) Dividend payment date | : The Board has not recommended any dividend. |
| v) Listing on stock exchanges: | |
| & | |
| vi) Stock Code | |

The Company's shares are listed on :-

The Pune Stock Exchange Ltd.	: 13369
The Stock Exchange, Mumbai	: 13369
The Stock Exchange, Ahmedabad	: 48230

vii) Market Price Data : Not Available*

viii) Performance in comparison to broad-based indices : Not Available*

* : No quotations are available on any of the Stock Exchanges, where shares of the company are listed.

ix) Registrar and Transfer Agents:

The Company has appointed M/s. Intime Spectrum Registry Limited as its Registrar & Transfer Agent. It is SEBI registered Registrar & Transfer Agent. The entire work relating to processing of transfer of shares has been transferred to Intime Spectrum Registry Limited.

Intime Spectrum Registry Limited.

Head Office	: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai 400078. Telephone No.: (022) 255555454 Fax No. (022) 255555353. Email ID: isrl@intimespectrum.com
Pune Office	: 102, Shree Vidyanand, Dr. Ketkar Path, Erandawane, Near Karnataka High School, Pune 411 004. Telephone No. (020) 25458397/98. Email ID: pune@intimespectrum.com

x) Share Transfer System :

The Company has constituted the Share Transfer Committee with Shri N. Ramakrishna, Shri S. Siddheshwara and Shri R. S. Kothavale as the members. The committee meets at regular intervals to consider and approve the transfer, transmission, consolidation, sub division and issue of duplicate certificates. After such processing the company's in-house share department issues share certificates to the shareholders within 30 days of receipt of certificate for transfer. There are no legal proceedings against the company on any share transfer matter.

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xi) Distribution of Shareholding:

Distribution Schedule
Distribution of shareholding as on 31st March, 2005
Distribution of Holdings.

Shareholding of Nominal Value of Rs.	Share holders Number	Shareholders % to Total	Share Amount In Rupees	Share Amount % to Total
Upto 5,000	13,138	95.15	1,75,56,000	16.05
5,001 to 10,000	375	2.72	32,52,000	2.97
10,001 to 20,000	116	0.84	18,14,000	1.65
20,001 to 30,000	44	0.32	11,14,000	1.02
30,001 to 40,000	41	0.30	15,81,000	1.45
40,001 to 50,000	41	0.30	19,93,000	1.82
50,001 to 1,00,000	24	0.17	21,33,000	1.95
1,00,001 and above	28	0.20	7,99,51,000	73.09
Total	13,807	100.00	10,93,94,000	100.00

Shareholding Pattern (as on 31st March, 2005)

Category	No. of shares	% of shareholding
A. Promoters' holding		
1. Promoters		
Indian Promoters	60,01,300	54.86
Foreign Promoters	Nil	Nil
2. Persons acting in concert	Nil	Nil
Sub Total	60,01,300	54.86
B. Non Promoters holding		
3. Institutional Investors.		
a. Mutual Funds and UTI	Nil	Nil
b. Banks , Financial Institutions Insurance Companies	100	0.00
c. FIIs	Nil	Nil
4. Others		
a. Private Corporate Bodies.	6,58,900	6.02
b. Indian Public	31,59,100	28.88
c. NRIs/OCBs	11,20,000	10.24
d. Any others	Nil	Nil
Sub Total	43,98,000	47.71
Grand Total	1,09,39,400	100.00

xii) Dematerialisation of Shares:

The shares of your company are not dematerialized.

xiii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.

Not issued.

xiv) Plant Locations:

Gat No. 357, Kharabwadi, Chakan – Talegaon Road,
Chakan 410 501, Taluka – Khed,
District – Pune.

xv) Address for correspondence:

Shareholders' correspondence should be addressed to Intime Spectrum Registry Limited, Registrar and Transfer Agent at the address mentioned above.

To,

The Board of Directors
Rajkumar Forge Limited,
18, Shivaji Housing Society,
Off Senapati Bapat Road,
Pune - 411 016.

Re. : REPORT ON CORPORATE GOVERNANCE

We have examined the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India for the financial year ended on March 31st, 2005.

The objective of our examination is to give our opinion on whether the company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing agreement entered into by the company with the Stock Exchanges of India.

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

We have conducted our examination on the basis of the relevant records and documents maintained by the company and furnished to us for examination and the information and explanations given to us by the company.

Based on such examination, in our opinion, the company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges of India.

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

For Bapat & Company
Chartered Accountants

(A.N. Bapat)
Proprietor

Place : Pune
Date : 8th April, 2005