

ANNUAL REPORT



RAJKUMAR FORGE LIMITED

RAJKUMAR FORGE LIMITED**SEVENTEENTH ANNUAL REPORT 2006-2007**

BOARD OF DIRECTORS	:	S. PADMANABHAN R.S. KOTHAVALA P. B. KORE PRADEEP BHARGAVA SWASTIK SIRSIKAR S. R. KOTHAVALA	Chairman Managing Director
COMPANY SECRETARY	:	SANGEETA PARASHAR	
AUDITOR	:	M/S BAPAT & COMPANY CHARTERED ACCOUNTANTS PUNE	
BANKERS	:	BANK OF BARODA	
REGISTRAR & TRANSFER AGENT	:	INTIME SPECTRUM REGISTRY LIMITED MUMBAI OFFICE C13, PANNALAL SILK MILLS COMPOUND, LAL BAHADUR SHASTRI MARG, BHANDUP (WEST), MUMBAI-400078 PUNE OFFICE BLOCK NO. 202, 2 ND FLOOR AKSHAY COMPLEX, NEAR GANESH TEMPLE, DHOLE PATIL ROAD, PUNE-411 001 PHONE NO : (020) 26053503, 65203395	
REGISTERED OFFICE	:	18, SHIVAJI CO-OP. HSG. SOC. LTD. OFF SENAPATI BAPAT ROAD, PUNE 411 016. PHONE:(020) 25639050, 25639051, 25639052 FAX: (020) 25639049 WEBSITE: www.rkforging.com	
FACTORY	:	GAT NO. 357, KHARABWADI CHAKAN - TALEGAON ROAD CHAKAN - 410 501, TALUKA-KHED DISTRICT- PUNE	

RAJKUMAR FORGE LIMITED**SEVENTEENTH ANNUAL REPORT 2006-2007****NOTICE**

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Rajkumar Forge Limited will be held on Saturday the 28th day of July, 2007 at 10 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 2007, 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 S.R Kothavale who retires by rotation but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Swastik Sirsikar who retires by rotation but being eligible, offers himself for re-appointment.
4. To re-appoint Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

5. To considered and if thought fit, to pass with or without modification the following resolution as ORDINARY RESOLUTION:
"RESOLVED THAT pursuant to the provisions of section 293(1)(d), Article no.70 of Article of Association the Company, the company, be and is hereby authorized to borrow from time to time such sums of money even though the money so borrowed together with money already borrowed exceeds in the aggregate of the paid-up capital and free reserves of the Company provided, however, that the total borrowing apart from the temporary loans taken from the company's shall not exceed Rs.20 crores"
6. To considered and, if thought fit, to pass with or without modification the following resolution as SPECIAL RESOLUTION:
"RESOLVED THAT in conformity with the provision of article 121(b)(ii) of the Articles of Association of the Company and pursuant to the provision of provisions of Section 309(4) of the Companies Act, 1956, the consent be accorded to the payment of commission to the Director of the Company (other than Managing Director/ Whole Time Director) of one per cent (1%) of the net profits of the Company in each financial year (to be calculated in accordance with the provisions of sections 349, and 350 of the Companies Act) for the period of five year from the ensuing financial year, to be divided equally between such directors."

By Order of the Board of Directors,

Pune : Pune
Date: 5th May, 2007

R. S. Kothavale
Managing Director

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 Intime Spectrum Registry Limited, Registrar and Transfer agent of the Company having its head office at C-13, Pannalal silk mills compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078 and having its local office at "Second floor, Akshay Complex, Dhole Patil Road, Pune immediately of any change in their address.
- 4) The Register of Members and Share Transfer Books of the Company will remain close from 7th July, 2007 to 10th July, 2007(both days inclusive).

- 5) The explanatory statement, pursuant to Section 173 of the Companies Act, 1956 in respect of Item No. 5, 6, of Special Business, is annexed hereto.

By Order of the Board of Directors,

Pune : Pune
Date: 5th May, 2007

R. S. Kothavale
Managing Director

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No.5**

Your Company at present enjoys the following facilities from the Bank of Baroda , Senapati Bapat Marg, Pune:

Particular	Amt.(lacs)
Term loan	200
Cash credit	225
PSDL/FBP	175
Non- Fund Based	
L/C	275
Bank Guarantee	50

In need of further loan for expansion of present activity, we need to take loan from the Bank as and when required to the extend of Rs.20 crore. Pursuant to the provisions of clause (d) of sub-section (1) of section 293 of the Companies Act, 1956, the board of directors can't borrow more than the aggregate amount of the paid-up capital of the company and its free reserves at any one time except with the consent of the shareholders of the company in a general meeting therefore, your directors place before you the proposal to increase the maximum borrowing limit to Rs.20 crores.

The Board of Directors recommends the resolution for approval of the members. None of the Directors of your company is interested, either directly or indirectly, in the said proposal.

Item No.6

Your Director has decided to discontinue the sitting fee paid to all Director for attending the Board meeting and committee meeting for w. e. f. 05.05.2007.

As you are aware, your company is being run by the Board of Directors who has an onerous job of directing the company policy and supervising the performance of the Managing Director of the Company. Your Company feels that to increase the efficiency of the overall management of the company and thereby to amply remunerate the participating Directors to commensurate with the time, labour and risk involved, your company may allow payment of commission of one percent (1%) of the net profit of the company amongst all directors not in whole time employment of the company. Pursuant to sub-section (5) of section 309, such net profit, as referred to above, shall be computed in the manner referred to in section 198 and other applicable provision of the companies Act, 1956. This commission will remain in force for a period of five year, but may be renew by passing special resolution. It is also a condition that no renewal shall be effected earlier than one year from the date on which it is to come into force.

With the exception of Mr. R.S Kothavale who is in Whole Time Employment of the company, all other director serves the company without any remuneration.

The Directors, as referred to above, of your Company are interested in this resolution to the extend of remuneration proposed to be paid to them.

By Order of the Board of Directors,

Pune : Pune
Date: 5th May, 2007

R. S. Kothavale
Managing Director

RAJKUMAR FORGE LIMITED**SEVENTEENTH ANNUAL REPORT 2006-2007****MANAGEMENT DISCUSSION &
ANALYSIS OF FINANCIAL CONDITIONS**

The Indian Manufacturing Industry has emerged as a major contributor to the Indian Economy. The year 2006-2007 has witnessed very good economic growth and a good year for Forging Industry. In year 2006-07 GDP growth was 9.2% as compared to 2005-06 which was 9.0% and contribution by manufacturing industry was 26.4% of GDP which is significant. Forging industry is a backbone for automobile & heavy Engineering industry. Our unit is related to Heavy Engineering and machine building industry which is a core sector.

OPERATIONS & FINANCIAL PERFORMANCE:

Sales & profit performance for the year ended 31st March 2007 showed considerable improvement. Sales turnover improved by 22.5% compared to last years sales. Following is the summary of performance.

Year	2006-2007 (Rs. Lacs)	2005-2006 (Rs. Lacs)
Sales	3,923.00	3,206.39
Cost of Operation	3,152.55	2,992.59
Interest & Depreciation	238.20	158.69
Profit before Tax	532.24	55.10
Provision for taxation	63.16	20.00
Net Profit after Tax	469.08	35.10

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

Year	Export Value (Rs.)	Total Sales Value (Rs.)	%Export	%Export Growth
2004-2005	107,094,981	174,448,073	61.39	-
2005-2006	138,416,611	333,060,071	41.56	29.25
2006-2007	256,673,623	413,893,624	62.01	85.44

GENERAL:

In view of the large potential in export market, Company has completed 1st phase expansion to increase its production capacity. Company has taken effective steps to convert both plant at Chakan & Registered Office in Pune into "World Class" level. Makeover of the Chakan plant is almost finishing and for registered office it is in process of finalization. Company has finalized supply of ERP system from M/s P.C Soft Pune. This will enable the Company to successfully meet international competition.

Company has undertaken itself to get certified under ISO 14001 for environment management system and OHSAS 18001 for Occupational Health.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY:

Company has adequate internal control system to safeguard all assets of the Company and detect frauds or irregularities, if any. The internal control systems are designed to ensure reliability in financial records and other records for preparing financial information.

CONCERNS & THREATS:

Steel prices are major causes of concern. Steel prices which were stable for sometime, have again started moving up due to Ni prices in International market. The overseas buyers are reluctant to compensate for the steel price increase in India.

Impact of the volatile Foreign Exchange Rates is very drastic in last three months. Following table shows given below adverse movement due to rupee appreciation. The impact of this appreciation is about 7.4% loss to the Company. During fourth quarter i.e Jan-march, 07 company has incurred exchange loss of Rs.28,89,914/-, this loss will further increase in the next quarter April'07 to June'07. Rupee appreciation will affect price competitiveness in the export market and this may effect on our export business.

TABLE OF US \$-Re RATE CHANGE

Period	US \$ to Rs.	% change
01.01.2007	44.27	0.00
28.02.2007	44.13	0.31
31.03.2007	43.47	1.80
26.04.2007	40.99	7.40

Company has formulated plans of cost reduction to partially compensate the exchange loss.

There is no change in DEPB benefits, which are in any case very marginal. Government has announced that DEPB will continue for one more year.

OUTLOOK:

During the year under review, we have successfully improved our export sales and thus total sales. We hope to continue the same growth during next financial year. Company expects that similar trend will continue for next 3-4 years. This is however subject to stability of steel prices & Dollar exchange rate.

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:

The Company has total 77 people employed as on 31st March 2007. Company has very cordial industrial relations. The current wage agreement with elected representatives is valid till 30th June 2007.

RAJKUMAR FORGE LIMITED**SEVENTEENTH ANNUAL REPORT 2006-2007****REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Rajkumar Forge Limited's philosophy on Corporate Governance aims at establishing the mechanism by which the most effective and efficient values, principles, management policies and procedures of the Company are inculcated. The essence of Corporate Governance for the Company lies in promoting and maintaining integrity, transparency and accountability throughout the organization. It is not only a sine qua non for facing intense competition for sustainable growth in the emerging global business scenario but is also an embodiment of the parameters of fairness, accountability and transparency to maximize value for the stakeholders.

This chapter of the Report, plus the information given under the Management Discussion and analysis and Shareholder Information constitutes the report on Corporate Governance for the year 2006-2007.

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

The Board of Directors consists of five Directors as on 31st March 2007, comprising of Chairman who is a non-executive Director, Managing Director who is a executive director. The other three (3) Directors are non-executive out of which two are independent. Details are given in Table 1. In the Board Meeting held on 28.04.2007 new Director was appointed to fill the casual vacancy so created by the death of Mr. P. G. Chitale. Mr. Pradeep Bhargava was appointed as Non Executive Independent Director.

• Number of Board Meetings

During the year, four (4) Board Meetings were held on 24th April 2006, 29th July 2006, 19th October 2006, and 29th January 2007.

• 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 Managing Director	Promoter, Executive	4	3
S.Padmanabhan Chairman*	Non Executive, Independent	3	3
P B Kore	Promoter and Non Executive	4	1
S R Kothavale	Non Executive	4	2
P.G. Chitale**	Non Executive, Independent	4	4
Swastik Sirsikar	Non Executive, Independent	4	3

* From 24th April 2006

** He passed away on 28th February, 2007.

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

Table 1A

Name of Director	No. of General Meetings held	No. of General Meeting attended
R S Kothavale Managing Director	1	1
S.Padmanabhan, Chairman	1	1
P.G Chitale	1	1
P B Kore	1	1
S R Kothavale	1	0
Swatik Sirsikar	1	1

OUTSIDE DIRECTORSHIPS

Table 2 gives the details of the Outside Directorships and Committee positions as on 31st March 2007.

Table 2

Name of Director	Directorships in Public Limited Companies	Directorships in Private Limited Companies
R S Kothavale Managing Director	00	01
P B Kore	02	00
S.Padmanabhan, Chairman	13	02
Swastik Sirsikar	00	01
S R Kothavale	00	00

None of the Directors is a member of more than 10 Board level committees of public companies in which they are Directors, nor is chairman of more than five such committees.

• 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 1A 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:

- Reviewing 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;
- Reviewing with the management the annual and quarterly financial statements before submission to the Board;
- Discussing with internal auditors any significant finding and follow up on such issues;
- Reviewing, with the management, external and internal auditors, the adequacy of internal control systems;
- Reviewing details of related party transactions.
- Reviewing the Company's financial and risk management policies.
- Reviewing any changes in accounting policies or practices as compared to last completed financial year and commenting on any deviation from accounting standards etc;
- Discussing with the external auditors before the audit commences on the nature and scope of audit, as well as having post audit discussion to ascertain any area of concern.

With the demise of Mr. P.G Chitale, who was Chairman of Audit Committee under clause 49 of the listing Agreement, the Board of Director in their Meeting held on 28th April, 2007, reconstituted the Audit Committee.

The new Audit Committee comprises of Two (2) non-executive and independent directors, Mr. Pradeep Bhargava and Mr. Swastik Sirsikar and one (1) executive director Mr. Rajkumar S. Kothavale. Mr. Pradeep Bhargava is the Chairman of the Committee. All members are financially literate and have related financial management expertise. Account Officers, the Statutory Auditors and the Internal Auditors also attend the Audit Committee meetings. The Company Secretary acts as a Secretary of the Committee.

During the year under review, four meetings of the Audit Committee were held on 24th April, 2006, 29th July, 2006, 19th October, 2006 and 22nd January, 2007.

RAJKUMAR FORGE LIMITED**SEVENTEENTH ANNUAL REPORT 2006-2007**

Meetings and attendance of members at the Audit Committee meetings is given below:

Name of Director	Category	No. of Audit Meetings held	No. of Audit Meetings attended
R S Kothavale	Promoter, Executive	4	3
Swastik Sirsikar	Non Executive, Independent	4	4
P G Chitale*	Non Executive, Independent	4	4

* Passed away on 28th Feb, 2007

4. REMUNERATION COMMITTEE

With the demise of Mr. P. G Chitale, The Board of Directors re-constituted Remuneration Committee at the Meeting of the Board of Directors held on 28th April, 2007. The present Remuneration Committee comprises of three non-executive independent Directors, viz., Mr. Pradeep Bhargava, Mr. Swastik Sirsikar and Mr. S. Padmanabhan are the members of the Remuneration Committee, with Shri. Pradeep Bhargava the Chairman of the Committee. During the year 2006-2007, one meeting of the Remuneration Committee was held on 13th May, 2006 and it was attended by all the three members who constituted the Committee during that period to consider revision in the remuneration of Managing Director.

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 Rs.5000/- per Board Meeting and Audit committee. The Remuneration Committee meeting held on 13th May 2006 has approved increase in remuneration of Shri R.S. Kothavale, Managing Director from Rs.60000/- to Rs.75000/- p.m w.e.f 1st April, 2006 (and all other terms and conditions are same) the same has been within the power of the Board, therefore, an abstract pursuant to section 302 of the companies Act, 1956 has been mentioned in the notice of Sixteenth Annual General Meeting of the Company held on 26th August, 2006.

Details of the remuneration of the Directors are as given below:

REMUNERATION DURING THE YEAR 2006-2007.

Directors	Salary	Perquisites	Sitting Fees	Total
R S Kothavale Managing Director	900,000	535,961	-	1,435,961
P B Kore	-	-	5,000	5,000
S R Kothavale	-	-	10,000	10,000
P.G. Chitale	-	-	35,000	35,000
Swastik Sirsikar	-	-	30,000	30,000
S Padmanabhan	-	-	15,000	15,000

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 Annuity Fund or Annuity Fund, provision for gratuity and leave encashment, provision for motor car.

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. In the Board Meeting held on 28th April, 2007, the Board reconstituted INVESTORS/ SHAREHOLDERS GRIEVANCE COMMITTEE

Now committee comprises of Mr. Swastik Sirsikar and Mr. R. S. Kothavale, executive director. Mr. Swastik Sirsikar as Chairman of the Committee. The status on complaints, if any, is reported to the Board of Directors at every Board Meeting. Ms. Sangeeta Parashar, 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,
Pun 411 016.
Tel: 25639050, 25639051, 25639052 (Ext: 44) Fax: 25639049.
Email: secretarial@rkforge.in

The total number of complaints received and replied to the satisfaction of shareholders and SEBI during the year ended 31st March 2007 were 167. There were no complaints outstanding as on 31st March 2007.

6. GENERAL BODY MEETINGS:

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

Date	Location	Time
17 th July 2004	Poona Club, 6 Boat Club Road, Pune 411 001.	11.00 A.M.
18 th June 2005	Poona Club, 6 Boat Club Road, Pune 411 001.	11.00 A.M.
26 th Aug 2006	Poona Club, 6 Boat Club Road, Pune 411 001.	11.00 A.M.

Four Special Resolutions was passed at the Sixteenth Annual General Meeting of the Company;

1. To appoint Mr. P.G Chitale as Director.
2. To appoint Mr. Swastik Sirsikar as Director.
3. To appoint Mr. S. Padmanabhan as Director.
4. To appoint Mr. Amit P. Kore under office of profit section 314 of Companies Act, 1956.

No Special Resolutions were passed in the above meetings by postal ballot and the same is not proposed to be conducted. Also, no extraordinary general meeting was held during the year under review.

7. PARTICULARS OF REAPPOINTMENT OF DIRECTORS:**1. Mr. Swastik Sirsikar**

Mr. Swastik Sirsikar is Diploma in Civil Engineering and Masters in Business Administration and Diploma in Finance Management. He has the rich experience of 25 years in construction business. He is a Director in Swank Engineers Private Ltd. and also a member of various social/service International NGOs holding responsible and key portfolios in the administrative capacities. He is holding 5100 Equity Shares of Rs. 10/- each and his shareholding is 0.05%.

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 Director QA 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%.

RAJKUMAR FORGE LIMITED**SEVENTEENTH ANNUAL REPORT 2006-2007****8. DISCLOSURES:**

- i) During the year under review, there has been 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.
- 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 non-compliance of any matter related to the capital markets. However, the company has not complied with the following:
- 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.
 - The company has not dematerialized its shares. The Company has submitted its application to NSDL & CDSL however the same is pending for Capital Confirmation Letter for total number of issued shares from BSE & ASE. Therefore, the Company can submit the Capital Confirmation Letter for total number of issued shares after we get the permission to list the additional shares issued on preferential basis as mentioned above at point 1.
 - 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.
 - 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.
 - 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 1D 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:

- Audited Financial results for the period ended on 31.03.2006 on 25.04.2006
- Unaudited Financial results-First quarter ended on 30.6.2006 on 02.08.2006.
- Unaudited Financial results- Second quarter ended on 30.9.2006 on 20.10.2006
- Unaudited Financial results- Third quarter ended on 31.12.2006 on 31.01.2007.

The Company notices to the shareholders regarding convening of General Meetings and Communication with the Stock Exchanges, SEBI and the Registrar of Companies, Pune by Registered Post and fax. The Company's website address is www.rkforging.com whereby all the necessary information relating to the Company and its performance is maintained by the Company. The Management Discussion and Analysis Report forms part of this Annual Report.

10. GENERAL SHAREHOLDER INFORMATION:

• Annual General Meeting:

- i) Date and Time : 28th JULY, 2007 at 10.00 a.m.
Venue : Poona Club, 6 Boat Club Road, Pune 411 001.
- ii) Financial year : 1st April 2006 to 31st March 2007.
- iii) Date of Book Closure : 7th July to 10th July 2007 (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:

Your 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 M/s. 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) 25963838.
Fax No. (022) 25946979.
Email ID: isrl@intimespectrum.com

Pune Office : Second Floor, Akshay Complex,
Dhole Patil Road, Pune-411
Telephone No. (020) 56203395.
Email ID: pune@intimespectrum.com

x) Share Transfer System:

The Company in its Board Meeting held on 25.11.2005 has reconstituted this committee by delegating the power of share transfer to Mr. Rajkumar S. Kothavale under Clause 49 (IV) (G) (iv) of the Listing Agreement w.e.f. 01.12.2005. The committee meets every fortnightly to consider and approve the transfer, transmission, consolidation, sub division and issue of duplicate certificates. The company's R&T Agent M/s. Intime Spectrum Registry Limited 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.

xi) Distribution of Shareholding:**Distribution Schedule****Distribution of shareholding as on 31st March, 2007**

Shareholding of Nominal Value Rs.	Shareholders Number	Shareholders % to Total	Share Amount In Rupees	Share Amount % to Total
Up to 5,000	13,085	95.0876	17,495,000	15.9927
5,001 to 10,000	372	2.7033	3,222,000	2.9453
10,001 to 20,000	120	0.8720	1,875,000	1.7140
20,001 to 30,000	42	0.3052	1,064,000	0.9726
30,001 to 40,000	42	0.3052	1,621,000	1.4818
40,001 to 50,000	39	0.2834	1,893,000	1.7304
50,001 to 1,00,000	26	0.1889	2,352,000	2.1500
1,00,001 and above	35	0.2543	79,872,000	73.0131
Total	13,761	100.0000	109,394,000	100.0000

RAJKUMAR FORGE LIMITED**SEVENTEENTH ANNUAL REPORT 2006-2007**Shareholding Pattern (as on 31st March, 2007).

Category	No. of shares	% of shareholding.
A. Promoters' holding		
1. Promoters		
Indian Promoters	5,272,100	48.1937
Foreign Promoters	Nil	Nil
2. Persons acting in concert	486,300	4.4454
Sub Total	5,758,400	52.6391
B. Non Promoters' holding		
3. Institutional Investors.		
a. Mutual Funds and UTI	Nil	Nil
b. Banks, Financial Institutions, Insurance Companies	100	0.0009
c. FII's	Nil	Nil
Sub Total	100	0.0009
4. Others		
a. Private Corporate Bodies.	19,000	0.1737
b. Indian Public	4,161,900	38.0450
c. NRIs/OCBs	1,000,000	9.1413
d. Any others	Nil	Nil
Sub Total	5,181,000	47.3600
Grand Total	1,09,39,400	100.0000

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 can be addressed to:1. **M/s. Intime Spectrum Registry Limited.**

Head Office : C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup, Mumbai 400078.
Telephone No.: (022) 25963838.
Fax No. (022) 25946979.
Email ID: isrl@intimespectrum.com.

Pune Office : Second Floor, Akshay Complex,
Dhole Patil Road, Pune-411 001
PHONE(020) 26053503,65203395
Email ID: pune@intimespectrum.com

2. **The Company Secretary**

Rajkumar Forge Limited
18, Shivaji Housing Society,
Off Senapati Bapat Road,
Pune 411 016.
Tel: 25639050, 25639051, 25639052 (Ext: 44) Fax: 25639049
Email: secretarial@rkforge.in

Declaration under Clause 49(I)(D) (ii) by the Managing Director of affirmation by the Board of Directors and Senior Management of Compliance with code of conduct.

Place: Pune
Date: 5th May, 2007

R. S. KOTHAVAL
Managing Director

To,

**The Members of
Rajkumar Forge Limited.**

Auditors' Certificate on Corporate Governance

We have reviewed 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, 2007.

The compliance of conditions of corporate governance is the responsibility of the management. Our review 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 review 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 a review, and to the best of our information and according to the explanations given to us, 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 AND COMPANY
Chartered Accountants

Amod A. Bapat
Partner
Membership No. 103972

Place : Pune
Date : 5th May, 2007