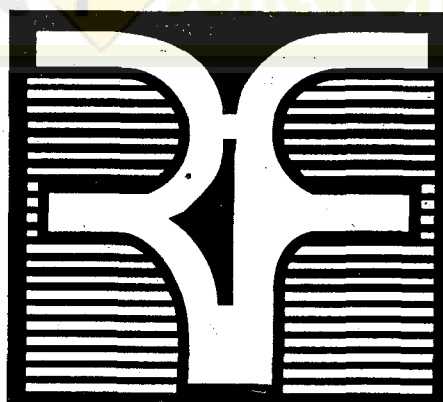


19TH ANNUAL REPORT



RAJKUMAR FORGE LIMITED

RAJKUMAR FORGE LIMITED**NINETEENTH ANNUAL REPORT 2008-2009**

BOARD OF DIRECTORS	: S.PADMANABHAN	Chairman
	PRABHAKAR B. KORE	
	PRADEEP BHARGAVA	
	SWASTIK SIRSIKAR	
	SHANTANU R. KOTHAVALA	
	RAJKUMAR S. KOTHAVALA	Managing Director
COMPANY SECRETARY	: VIJAY.V. KULKARNI	
AUDITOR	: M/S BAPAT & COMPANY	
	CHARTERED ACCOUNTANTS	
BANKERS	: BANK OF BARODA	
REGISTRAR AND TRANSFER AGENTS	LINK INTIME INDIA PRIVATE LIMITED	
	BLOCK NO 202,2'ND FLOOR	
	AKSHAY COMPLEX ,NEAR	
	GANESH TEMPLE,DHOLE PATIL	
	ROAD,PUNE – 411 001	
	PHONE NO : (020)26050084,26051629, 26503395	
	TELE FAX : 020 -26053503	
REGISTERED OFFICE	: NOVELTY CLASSIC, FLAT NO. : 201,	
	2ND FLOOR, BEHIND MARUTI CARE POINT,	
	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- 410501, TALUKA- KHED	
	DISTRICT-PUNE	

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RAJKUMAR FORGE LIMITED**NINETEENTH ANNUAL REPORT 2008-2009****NOTICE**

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of Rajkumar Forge Limited will be held on Saturday the 25th day of July, 2009 at 10.30 A.M at Poona Club Limited, 6 Bund Garden Road, Pune 411 001 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009 and Profit and Loss-Account as on that date and Reports of the Auditors and Directors thereon.
2. To declare dividend on preference shares.
3. To declare a dividend on equity shares.
4. To appoint a Director in place of Mr. P.B.Kore who retires by rotation but being eligible, offers himself for re-appointment.
5. To appoint Director in place of Mr. Swastik Sirsikar who retires by rotation but being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION** :
"RESOLVED THAT THE COMPANY'S AUDITORS, M/S BAPAT AND COMPANY, CHARTERED ACCOUNTANTS BE AND ARE HEREBY REAPPOINTED AS AUDITORS OF THE COMPANY TO HOLD THE OFFICE FROM CONCLUSION OF THIS MEETING UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY AND THE BOARD OF DIRECTORS BE AND IS HEREBY AUTHORISED TO FIX THEIR REMUNERATION FOR THE PERIOD."

SPECIAL BUSINESS :

7. To consider and if thought fit, to pass with or without modification, the following resolution as an **SPECIAL RESOLUTION**.
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 read with Article 141 of Articles of Association of the company and subject to such other approvals as may be necessary, approval of members is hereby accorded to the reappointment of Mr.R.S.Kothavale as Managing Director of the Company for a period of 3 (Three) years with effect from 1st July, 2009 upon the terms and conditions as set out in the agreement to be entered into between the Company and Mr.R.S.Kothavale and initiated by Mr. S.Padmanabhan, Chairman for the purpose of identification."
"FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to review and /or revise the terms, conditions, remuneration including minimum remuneration, perquisites, and other benefits being given of to be given to Mr. R.S.Kothavale in line / conformity with any amendment to the relevant provisions in the Companies Act, 1956 and /or the Rules and Regulations made there under and /or the guidelines as may be announced by the appropriate authorities from time to time and in accordance with the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto as may be agreed between the Board of Directors and Mr.R.S.Kothavale."

By Order of Board of Directors

Place : Pune
Date : 27th April, 2009

R.S.KOTHAVALA
MANAGING DIRECTOR

NOTES :

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 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 who hold shares in dematerialized form are requested to bring their **CLIENT ID** and **DP ID** numbers for easy identification of attendance at the meeting.
- 4) Members holding shares in dematerialized form are requested to intimate any change in their address, bank details etc. to their respective DPS. Those members who are holding shares in physical form are requested to advise **Link Intime India Private 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 400078 and having its local office at " Second Floor, Akshay Complex, Dhole Patil Road, Pune-411001 immediately of any change in their address.

- 5) The Register of Members and Share Transfer Books of the Company will remain close from Tuesday 21st July, 2009 to Saturday 25th July, 2009 (both days inclusive).
- 6) Members may avail of the facility of dematerialization by opening Demat Accounts with Depository Participants of either National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL) and get the equity share certificates dematerialised. The ISIN No of the Company is INE-013J01016.
- 7) Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to Company at its' Registered Office at least 7 days before the date of the meeting, so that the required information to the extent possible can be made available at the meeting.
- 8) Members are requested to bring their copies of Annual Report to the Meeting.
- 9) Members /proxies attending the meeting should bring the Attendance Slip, duly filled in for handing over at the venue of the meeting.

By Order of Board of Directors

Place : Pune
Date : 27th April, 2009

R.S.KOTHAVALA
MANAGING DIRECTOR

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.**Special Business Item No 7 :**

Mr.R.S.Kothavale is promoter director of your company. He has been serving as a Managing Director since inception. His forth term is up to 30th June, 2009. The Remuneration Committee and the Board of Directors have, at their respective meetings held on 27th April, 2009, approved the remuneration of Mr.R.S.Kothavale as Managing Director for further period of three years w.e.f 1st July, 2009 subject to the approval of members as required under the provisions of the Companies Act 1956.

Shri.R.S.Kothavale shall not, while he continues to be Managing Director, be subject to retirement by rotation pursuant to the provisions of Section 255 of the Companies Act, 1956.

The Board of Directors is of the opinion that re-appointment of Mr.R.S.Kothavale as Managing Director is in the best interest of the Company as his dynamic leadership, mature guidance, knowledge of the Company's core activities and wide experience will benefit the Company. Hence your Directors are of the view that it would be in the best interest of the Company to reappoint him as Managing Director for another term of three years.

Pursuant to the aforesaid Board Resolution appointing Mr.R.S.Kothavale, as Managing Director, of the Company, the Company proposes to enter into an agreement with Mr.R.S.Kothavale w.e.f.1st July, 2009. The appointment of Mr.R.S.Kothavale is as per the provisions of Section 269 read with Schedule XIII to the Companies Act, 1956 and is subject to the approval of members in the Annual General Meeting. Hence the resolution stated at Item No 7 is placed before the Annual General Meeting for its approval.

The important terms and conditions of appointment and remuneration applicable to Mr.R.S.Kothavale, as set out in the draft agreement effective from 1st July, 2009 are as under :

Mr.R.S.Kothavale will be looking after the overall working of the Company and such additional duties as may be assigned by the Board of Directors from time to time. The period of appointment will be 3 years i.e 1st July, 2009 to 30th June 2012. (A) Mr. R. S. Kothavale shall be entitled to following salary and perquisites, even in the case of in adequacy of profit in any financial year.

BASIC SALARY :

Rs 1,13,000 -(Rupees One Lakh Thirteen Thousand only) per month.

PERQUISITES

(a) In addition to the aforesaid salary, the Managing Director shall be entitled to the following perquisites :

- 1) Reimbursement of medical expenses incurred for self and family Rs.10,000 per month.
- 2) Leave travel assistance for self and family not exceeding Rs.1,20,000 per annum.
- 3) Fees of club, which will include admission fees up to Rs.12,000 per annum.
- 4) Personal accident insurance, premium whereof does not exceed Rs.60,000 per annum.
- 5) Two Cars with drivers for official purpose.
- 6) Telephone and fax facilities at residence
- 7) Contribution to, superannuation fund, to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
- 8) Gratuity at the rate not exceeding 15 days' salary for each completed year of service and
- 9) Leave at the rate of one month for every eleven months of service.

RAJKUMAR FORGE LIMITED**NINETEENTH ANNUAL REPORT 2008-2009**

Explanation : For the purpose of item (ii) & (iii) above family means the spouse, the dependent children and dependent parents of Managing Director.

Mr. R.S. Kothavale shall be entitled to commission in case adequacy of profit on any financial year.

COMMISSION

Mr. R. S. Kothavale shall be entitled to commission as may be decided by the Board of Directors based on the net profits of the Company each year, subject to the condition that the aggregate remuneration of the Managing Director shall not exceed the limit laid down under Section 309 of the Companies Act, 1956.

FURTHER RESOLVED THAT the terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board of Directors as it may in its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies ACT, 1956, or any amendment made thereafter in that regard and to grant annual increments and to make such improvements in the terms of remuneration. The intention is that, no further approval of Company will be required so long as remuneration of Managing Director is not in excess of maximum permissible under relevant laws, regulations, guidelines or instructions as may be promulgated or issued after date of this meeting but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

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

The documents and / or letters referred to in the Resolution 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. up to the date of Annual General Meeting except Saturday, Sunday and Public Holidays, till conclusion of the ensuing Annual General Meeting.

Mr. R. S. Kothavale himself and Mr. Shantanu R. Kothavale and Mr. Prabhakar B. Kore relatives of Mr. R. S. Kothavale be deemed to be interested in the resolution.

Information pursuant to part II (B) (iv) of schedule XIII the Companies Act, 1956 is below :

I. General Information

1. Nature of industry.	Forging, Steel Forging, Forged Articles
2. Date of commencement of Commercial Production.	22nd June, 1990
3. Financial Performance on given indicators	For the year ended 31st March, 2009:- Sales :- Rs. 445,574,797/- Net Profit after Tax :- Rs. 25,847,748/-
4. Export performance and Net Foreign Exchange Collaborations	Rs. 398,502,836/- Nil
5. Foreign Investment of Collaborators Total investment of Promoters	Nil 53.90 % of Equity Capital is held by Promoters of the Company.

II. Information about the appointee

1. Background Details.	Mr. Rajkumar S. Kothavale is aged 70 years, is Mechanical and Electrical Engineer from College of Engineering, Poona. Since 1962 he worked in Bharat Forge Limited till Feb. 1989 in various capacities. He was Vice-President (Operations) at the time of retirement.
2. Past Remuneration	Rs. 75,000/- per month
3. Recognition or Awards	Nil
4. Job Profile & his Suitability	Mr. R.S. Kothavale, is Mechanical & Electrical Engineer having 45 years of experience in Forging Industry. He has wide exposure in areas of Manufacturing, Sales & Marketing, finance, Design and Development and Project Implementation. He has developed many critical automobile components which were earlier imported. He has also developed nuclear plant forgings, aircraft forgings, titanium forgings for space program. He is Managing Director of Rajkumar Forge Limited. His leadership is

	essential for your company's future growth.
5. Remuneration proposed	1,13,000/- per month
6. Comparative Remuneration profile with respect to Industry, Size of the Company, Profile of position and person.	No company was available for comparison of remuneration in respect of size of the Company, profile of position and person.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	There is no pecuniary relationship other than receipt of remuneration as Managing Director. Mr. R.S. Kothavale is related to Mr. Shantanu R. Kothavale and Mr. Prabhakar B. Kore, Directors of the Company.

III Other Information.

1. Reasons for Loss or Inadequate profits	Sluggish demand, increase in cost of raw materials and unprecedented variation in the exchange rate of rupee against dollar had resulted in your company incurring losses or in inadequate profits.
2. Steps taken or Proposed	The Company continues to make suitable investments to improve the yield. The Company has taken steps to reduce cost and increase exports. The marketing efforts will be focused to increase export market and maintain domestic market.
3. Expected increase in productivity and profits in measurable terms.	In the year 2010 in the light of good demand and order booking for products of the Company and with better operational efficiency, the company is expected to generate additional operating profit of at least 5 %.

MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS

The Indian Manufacturing Industry is backbone of Indian economy. The year 2008-2009 has witnessed low economic growth from Aug-Sep 2008. In the year 2008-2009 GDP growth was at 6% as compared to 2007-2008 which was 8.7% and contribution by manufacturing industry was about 17% of GDP. Forging Industry is backbone for automobile and heavy engineering industry. Our unit is related to Heavy Engineering and Machine Building Industry which is a core sector.

OPERATIONS & FINANCIAL PERFORMANCE :

Sales and profit performance for the year ended 31st March, 2009 showed improvement in Sales turnover by 4.48 % as compared to last years sales. Following is the summary of performance.

Year	2008-2009 (Rs. Lacs)	2007-2008 (Rs. Lacs)
Sales	4502.28	4309.28
Cost of operation	3997.13	3829.97
Interest & Depreciation	301.45	286.73
Profit before Tax	399.39	192.58
Provision for Taxation	140.92	64.55
Net Profit after Tax	258.47	128.03

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

Year	Export Value (Rs.)	Total Sales Value (Rs.)	% Export	% Export Growth
2006-2007	256,673,623	407,812,846	62.94	85.44
2007-2008	328,724,200	430,812,348	76.30	28.07
2008-2009	398,502,836	450,228,502	88.51	3.97

GENERAL :

The Registered Office of the Company will be shifted to 18, Shivaji Co-operative Housing Society, Pune. The Company will keep stakeholders and shareholders informed about the same.

The ERP system of the Company, procured from M/s P.C. Soft Pune is under implementation & is likely to be fully functional by September, 2009. The Company will derive the benefit of ERP System after its full implementation. The Company continues to be certified and governed by ISO 14001 for environmental management system and OHSAS 18001 for Occupational Health and Safety Management System and also under ISO 9001-2000.

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INTERNAL CONTROL SYSTEM & THEIR ADEQUACY :

Company has reasonable Internal Control system to safeguard all assets of the Company and detects frauds or irregularities, if any. The internal control system are designed to ensure reliability of financial records and other records for preparing financial statements.

CONCERN & THREATS :

The world economy is experiencing economic slow down, India is not an exception to it. The Companies export account for about 90% of the total business. However, International buyers have also slowed down placing of orders. The economic slow down may affect the turnover of the company.

Impact of the volatile Foreign Exchange Rates is enormous in last twelve months. The Company has taken forward exchange cover from Bank of Baroda, Pune Camp Branch to reduce the impact of exchange rate difference and is also implementing cost reduction programme.

OUTLOOK ::

During the year under review, the Company was able to increase its sales in spite of the adverse and competitive conditions. Market out look for next two years looks promising. However global slowdown and exchange rate fluctuations may create adverse impact on performance of the Company.

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 results might differ materially from those either expressed or implied.

HUMAN RESOURCES ::

The Company has total of 80 people employed as on 31st March, 2009. The Company enjoys cordial relations with its employees. The key focus of the Company is to attract, retain and develop talent. The Board wishes to place on record its appreciation of the contribution made by the employees at all levels during the year.

APPRECIATION

Your Directors wish to place on record their grateful thanks to Bank of Baroda for their valuable assistance and co-operation and for trust and confidence reposed in the Company by the shareholders.

TO THE BOARD OF DIRECTORS OF RAJKUMAR FORGE LIMITED

CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF THE COMPANY

We, the undersigned, in my capacity as Managing Director of Rajkumar Forge Limited, ("the Company"), to the best of my knowledge and belief certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2009 and to the best of our knowledge and belief:
 - (i) these statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief no transactions entered in to by the Company during the year ended 31st March, 2009, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year.
 - (ii) Significant change in accounting policies during the year and that the same have been disclosed in the notes to financial statement; and
 - (iii) Instances of significant fraud of which we are aware and the involvement there in, if any, of the management or an employee having a significant role in the companies internal control system over financial reporting.

RAJKUMAR KOTHA VALE
Managing Director

Date : 14th April, 2009 Place : Pune

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 2008-2009.

2. BOARD LEVEL ISSUES

Composition of Board

The Board of Directors consists of six Directors as on 31st March, 2009, comprising of Chairman who is a non-executive Director, Managing Director who is an executive director. The other four (4) Directors are non-executive, and out of which two (2) are independent. Details are given in Table 1.

Number of Board Meetings

During the year 5 Board Meetings were held on 24th May, 2008, 25th July 2008, 27th September, 2008, 26th October, 2008, 30th January, 2009.

Directors attendance Record

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

Table 1

Name of Director	Category	No. of Board Meetings held	No of Board Meeting attended
S. Padmanabhan Chairman	Non-Executive Independent	5	4
P. B. Kore	Promoter and Non-Executive	5	4
S. R. Kothavale	Non-Executive	5	1
Pradeep Bhargava	Non-Executive Independent	5	5
Swastik Sirsikar	Non-Executive Independent	5	5
R. S. Kothavale Managing Director	Promoter Executive	5	5

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

Name of Director	No of General Meetings held	No of General Meeting attended
S. Padmanabhan Chairman	1	1
Pradeep Bhargava	1	0
P. B. Kore	1	1
S. R. Kothavale	1	1
Swastik Sirsikar	1	1
R. S. Kothavale Managing Director	1	1

OUTSIDE DIRECTORSHIP

Name of Director	Directorship in Public Limited Companies	Directorship in Private Limited Companies
S. Padmanabhan Chairman	13	03
Pradeep Bhargava	03	00
P. B. Kore	02	00
S. R. Kothavale	00	00
Swastik Sirsikar	01	01
R. S. Kothavale Managing Director	00	01

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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.

As mandated by Clause 49, the independent Directors on Rajkumar Forge Limited:

1. Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management which may affect independence of Director.
2. Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
3. Have not been executive of the Company in the immediately preceding three financial years.
4. Are not partners or executives or were not partners or executives during the preceding three financial years
 - a) Statutory audit firm or the internal audit firm that is associated with the Company.
 - b) Legal firm and consulting firm that have a material association with the Company
 - c) Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the directors.
 - c) Are not substantial shareholders of the Company i.e do not own two percent or more of block of voting power.

Information placed before the Board

The Board of Rajkumar Forge Limited 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, export, 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 covers 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 interalia includes the following:

1. Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Reviewing with the management the annual and quarterly financial statements before submission to the Board
3. Discussing with Internal Auditors any significant findings and follow up on such issues;
4. Reviewing with the management, external and internal auditors, the adequacy of internal control system
5. Reviewing details of related party transactions
6. Reviewing the Company's financial and risk management policies.
7. Reviewing any changes in accounting policies or practices as compared to last completed financial year and commenting on any deviation from accounting standards etc.
8. 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 area of concern.

The 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 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 May 2008, 25th July 2008, 26th October 2008 and 30th January, 2009.

The Number of Audit Committee Meetings and attendance of the members of Audit Committee meeting is given below:

Name of Director	Category	No of Audit Meetings held	No of Meetings Attended
R.S.Kothavale	Promoter Executive	4	4
Pradeep Bhargava	Non-Executive Independent	4	4
Swastik Sirsikar	Non-Executive Independent	4	4

4. REMUNERATION COMMITTEE

The present Remuneration Committee comprises of two non-executive Independent Directors, viz Mr. Pradeep Bhargava, Mr. Swastik Sirsikar are members of Remuneration Committee, with Mr. Pradeep Bhargava the Chairman of the Committee.

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

- To decide on the remuneration policy of the managerial personnel
- To approve the appointment/re-appointment 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

REMUNERATION DURING THE YEAR 2008-2009

Name of Director	Salary (Rs.)	Perquisites (Rs.)	Sitting fees (Rs.)	Total (Rs.)
P.B.Kore	N.A	N.A	20,000	20,000
S.R.Kothavale	N.A	N.A	5,000	5,000
Pradeep Bhargava	N.A	N.A	45,000	45,000
Swastik Sirsikar	N.A	N.A	45,000	45,000
S Padmanabhan	N.A	N.A	20,000	20,000
R.S.Kothavale Managing Director	9,08,400	4,10,013	N.A	13,18,413
		Total	1,35,000	14,53,413

Notes: Salary = Basic salary only.

Perquisite include housing, reimbursement of medical expences, leave travel concession, club fees, personal accident insurance and reimbursement of medical expences, telephone and fax facilities, contribution to Provident Fund, Super Annuation Fund or Annuity Fund, provision of gratuity and leave encashment provision for motor car. Allowances include leave travel concession for the year, whether paid or provided.

The tenure of office of Managing Director is 3 years Commercially from 1st July, 2009 and ending on 30th June, 2012. The Managing Director is entitled to terminate the agreement by giving six months notice. Similary company can terminate the agreement and provide for compensation for loss of office as per provisions of Companies Act, 1956.

There is no Stock Option Scheme for any director.

5. INVESTOR/SHAREHOLDERS GRIVANCE COMMITTEE

The Shareholder's/Investor 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 comprises of Mr. Swastik Sirsikar and Mr. R.S.Kothavale, executive Director. Mr. Swastik Sirsikar is Chairman of the Committee. The status of Complaints, is reported to the Board of Directors at every Board Meeting. Mr. Vijay V. Kulkarni, Company Secretary, Member of the Institute of Company Secretaries of India, is Compliance Officer. The Compliance Officer can be contacted at:

Rajkumar Forge Limited

Flat no 201, 2nd Floor,
Behind Maruti Care Point,
Off Senapati Bapat Road
Pune-411016

Tel :-020 - 25639050, 25639051, 25639052 • Fax :020- 25639049

EMAIL: secretarial@rkforge.in, invest@rkforge.in

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The total number of complaints received and replied to the satisfaction of shareholders and SEBI during the year ended 31st March 2009 were 16. There were no complaints pending as on 31st March, 2009.

6. GENERAL BODY MEETINGS :

Date	Location	Time
26 th August, 2006	Poona Club, 6 Bund Garden Road, Pune- 1	11.00 A.M
28 th July, 2007	Poona Club, 6 Bund Garden Road, Pune - 1	10.00 A.M
25 th July, 2008	Poona Club, 6 Bund Garden Road, Pune-1	10.30 A.M

No Special Resolutions were passed at Eighteenth Annual General Meeting of the Company.

And also no Special Resolutions were passed in the above meetings by postal ballot. No extraordinary general meeting was held during the year under review

7. PARTICULARS OF REAPPOINTMENT OF DIRECTORS :

- Mr. P. B. Kore :** Mr. Prabhakar Kore is active member of the Parliament of India representing consistency of Karnataka State besides this he is also Director of Indian Sugar Exim Corporation Ltd and Rajeshree Group, Bangalore. He is Chairman of KEL Society and is active member of various social organizations in diverse capacities.

He is holding 1,70,100 equity shares of the Company and his shareholding 1.55%. He is also related to the promoter Director, Mr. R. S. Kothavale and Shantanu R. Kothavale, Director of the Company

- Mr. Swastik Sirsikar :** Mr. Swastik Sirsikar has done Diploma in Civil Engineering and Master in Business Administration and Diploma in Financial Management. He has the rich experience of 29 years in construction business. He is Director in Swank Engineering Private Limited and Director of Poona Club Ltd. He is also member of various social services International NGOs holding responsible and key portfolios in the administrative capacities. He is holding 5100 Equity Shares of the Company and his shareholding is 0.047%.

8. DISCLOSURES

- 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.
- 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.

The company has all not complied with the following : 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 on 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 ID of Clause 49 of the Listing Agreement.

9. MEANS OF COMMUNICATION

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

- Audited Financial Results for the period ended on 31.03.2008 on 26.05.2008.
- Unaudited Financial Results – First Quarter ended on 30.06.2008 on 26.07.2008
- Unaudited Financial Results –Second Quarter ended on 30.09.2008 on 27/10/2008
- Unaudited Financial Results –Third Quarter ended on 31.12.2008

on 01.02.2009.

The Company notices to the shareholders regarding convening of General Meeting and Communication with Stock Exchanges, SEBI and the Registrar of Companies, Pune by Registered Post and Fax. The Companies website address is www.rkforging.com where by all the necessary information relating to the Company and its performance is maintained by the Company including from per nomination.

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

- Date and Time** : 25th July, 2009 at 10.30.a.m
- Venue** : Poona Club, 6 Boat Club Road, Pune- 411 001
- Financial Year** : 1st April, 2008 to 31st March, 2009
- Date of Book Closure** : 21st July, 2009 to 25th July, 2009 (both days inclusive)
- Dividend Payment** : The Board of Directors has recommended dividend at 8.50% on Equity Shares i.e. Rs. 0.85 paise per share dividend. The dividend if declared by Annual General Meeting will be paid on from 3rd August, 2009. Pro-rata Preference dividend is paid at 4% as per terms of issue for the year ended 31st March, 2009.

V) Listing on Stock Exchanges & Stock Code

The Company's shares are listed on :
The Pune Stock Exchange Limited. : 13369
The Stock Exchange Mumbai : 513369
The Stock Exchange Ahmedabad : 48230

VI) Market Price Data : Available *

*On 31st March, 2009 the equity shares of the company were quoted at Rs 6.87 per share on The Bombay Stock Exchange Limited.

VII) Registrar and Transfer Agents :

Your Company has appointed M/s Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) as its Registrar and Transfer Agents. It is SEBI registered Registrar and Transfer Agents. The entire work relating to processing of transfer of shares has been transferred to M/s Link Intime India Private Limited :

Head Office : C-13, Pannalal Silk Mills Compound
L.B.S. Marg Bhandup, Mumbai 400078
Tele phone No : (022) 25963838
Fax No : (022) 25946969
Pune Office : Block No. 202, Second Floor, Akshay Complex, Dhole Patil Road, Pune – 411001
Telephone No. : (020) 26053503, 26051629
E-mail ID : pune@intimespectrum.co.in
Web : www.linkintime.co.in

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 week to consider and approve the transfer, transmission, consolidation, sub division and issue of duplicate certificates. The Company's R & T Agent M/s Link Intime India Private Limited issues share certificate of transfer 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.

RAJKUMAR FORGE LIMITED**NINETEENTH ANNUAL REPORT 2008-2009****VIII) Distribution of shareholding :****Distribution Schedule****Distribution of shareholding as on 31st March, 2009**

Shareholding of Nominal Value Rs.	Shareholders Number	Shareholders % to Total	Share Amount in Rupees	Share Amount % to Total
Up to 5000	12910	95.1290	17,311,000	15.8240
5,001 to 10,000	370	2.7260	3,188,000	2.9140
10001 to 20,000	122	0.8990	1,894,000	1.7310
20001 to 30000	44	0.3240	1,124,000	1.0270
30001 to 40000	30	0.2210	1,131,000	1.0340
40001 to 50000	31	0.2280	1,522,000	1.3910
50001 to 1,00,000	27	0.1990	2,395,000	2.1890
1,00,001 and above	37	0.2730	80,829,000	73.8880
Total	13,571	100.0000	109,394,000	100.0000

Shareholding Pattern (as on 31st March, 2009)

Serial No	Category	No of shares	% of shareholding
1	Promoters holding		
A	Promoters	5,896,900	53.9052
	Indian Promoters	Nil	Nil
	Foreign Promoters	Nil	Nil
	Sub-Total	5,896,900	53.9052
B	Non-Promoter's Shareholding		
2	Institutional Investors		
A	Mutual Funds and UTI	Nil	Nil
B	Banks, Financial Institutions, Insurance Companies	100	0.0009
C	FIIS	Nil	Nil
	Sub Total	100	0.0009
3	Others		
A	Private Corporate Bodies	23,800	0.2176
B	Indian Public	3,909,500	35.7378
C	NRIS / OCBS	1,101,500	10.0691
D	Any Others	7,600	0.0694
	Sub Total	5,042,500	46.09
	Grand Total	10,939,400	100

(IX) Dematerialization of Shares :

The equity share of the Company were admitted for dematerialization on NSDL and CDSL effective from 10th March, 2008 and 23rd January, 2008 respectively and ISIN NO. - INE 013J01016 has been allotted to the Company. As on 31st March, 2009, 8,85,900 (Eight Lakh Eighty Five Thousand Nine Hundred) equity shares Viz 8.10 % of the paid-up equity share capital has been dematerialize

X) Outstanding GDRs/ADRS/Warrants or Any Convertible Instruments, conversion date and likely impact on equity : Not issued.**XI) Plant Location : Gat No 357, Kharabwadi, Chakan Talegaon Road, Chakan 410501, Taluka Khed, District Pune.****XII) Address for correspondence : Shareholder's Correspondence can be addressed to :****1. Link Intime India Private Limited :**

Head Office : C-13, Pannalal Silk Mills Compound
L.B.S. Marg Bhandup, Mumbai 400078
Telephone No : (022) 25963838
Fax No : (022) 25946979
Pune Office : Block No. 202, Second Floor, Akshay Complex, Dhole Patil Road, Pune - 411001

Tele phone No : (020) 26053503, 26051629
E-mail ID : pune@intimespectrum.co.in

2. The Company Secretary, Rajkumar Forge Limited
Flat No 201, 2nd Floor, Behind Maruti Care Point, Off Senapati Bapat Road, Pune - 411016

Tel : 25639050, 25639051, 25639052 • **Fax** : 25639049

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

Code of Conduct

The Board of Rajkumar Forge Limited has laid down a code of conduct for all Board Members and Senior Management of the Company. The code of conduct is available on the website of the Company, www.rkforging.com. As required by Clause 49 (D) (ii) all the Board Members and Senior Management have affirmed compliance of code of conduct of the Company. The Managing Director has also confirmed and certified the same to the Board of Directors.

Place : Pune

Date : 27th April, 2009

R.S.KOTHAVALA

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 31st March, 2009.

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 Bapat
Partner

Membership No. 103972

Place: Pune
Date: 27th April , 2009