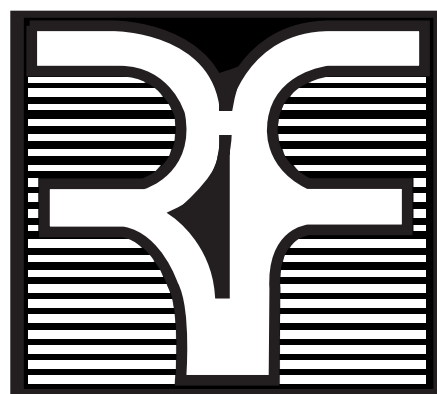


23RD ANNUAL REPORT



RAJKUMAR FORGE LIMITED

BOARD OF DIRECTORS	: S.PADMANABHAN	Chairman
	PRADEEP BHARGAVA	
	SWASTIK SIRSIKAR	
	SHANTANU.R.KOTHAVALA	
	R.S.KOTHAVALA	Managing Director
COMPANY SECRETARY	: VIJAY.V. KULKARNI	
AUDITOR	: M/S BAPAT & COMPANY	
	CHARTERED ACCOUNTANTS	
	PUNE	
COST AUDITOR	: MRS.VARSHA.S.LIMAYE	
	COST ACCOUNTANT	
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)26163503,26161629	
	TELE FAX : 020 -26163503	
	E-MAIL : pune@linkintime.co.in	
	WEBSITE : www.linkintime.com	
REGISTERED OFFICE	: 18,SHIVAJI CO-OP HOUSING SOCIETY	
	OFF SENAPATI BAPAT ROAD,	
	PUNE 411 016	
	PHONE (020) 25639050 / 51 / 52	
	FAX : (020) 25639049	
	E-MAIL:-secretarial @rkforge.in	
	invest@rkforge.in	
	WEBSITE : www.rkforging .com	
FACTORY	: GAT NO 357,KHARABWADI	
	CHAKAN- TALEGAON ROAD	
	CHAKAN- 410501, TALUKA- KHED	
	DISTRICT-PUNE	

Members holding shares in demat form and who wish to obtain all the Notices, Annual Reports and other communications from the company on e-mail, are requested to up-date their e-mail id in their depository account. Shareholders holding shares in physical form and wish to avail information on e-mail can send their request to Link Intime India Private Limited, Registrars and Transfer Agents of the Company with folio no and details of their e-mail id.

CONTENTS	PAGE
Notice	3
Management Discussion and Analysis	4
Corporate Governance Report	5
Directors Report	9
Auditors Report	10
Balance Sheet	12
Profit and Loss Account	13
Cash Flow Statement	14
Notes annexed to Balance Sheet	15

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Rajkumar Forge Limited will be held on Monday the 12th day of August 2013 at 12.00 Noon at Poona Club, Limited, 6 Bund Garden Road, Pune- 411001 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and Profit and Loss Account for the year ended as on that date together with Reports of the Auditors and Directors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr S.Padmabhan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Swastik .M.Sirsikar who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification following resolution as a **ORDINARY RESOLUTION:-**

" **RESOLVED THAT** pursuant to provisions of Section 224, 224A and other applicable provisions, if any of the Companies Act, 1956, M/s Bapat and Company, Chartered Accounts, having Firm Registration No 100997W issued by The Institute of Chartered Accounts of India, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company and the Board of Directors be and is hereby authorized to fix their remuneration for the period, based on the recommendations of the Audit Committee, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the company for the year ending 31st March, 2014."

**By Order of Board of Directors
FOR RAJKUMAR FORGE LIMITED**

Place : Pune
Date : 13th May, 2013

**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 ON POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.**
- 2) No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is shareholder of the Company, unless a copy of the resolution appointing him/her as authorized representative, certified to be true copy by a Chairman of the meeting at which it was passed, shall have been deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 3) A brief profile of Directors retiring by rotation and being eligible for re-appointment is included in the Corporate Governance Report, which forms part of Directors' Report and shareholders are requested to refer to the same. The Board of Directors of the Company recommends their respective re-appointments at the meeting.

- 4) 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.
- 5) Members holding equity shares in dematerialized form are requested to intimate change in their address, bank details etc. to their respective Depository Participants. Those members holding shares in physical form are requested to advise Link Intime India Private Limited, Registrar and Transfer Agent of the Company, having office at "Block No, 202, Second Floor, Akshay Compalex, Dhole Patil Road, Pune - 411 001 immediately of any change in their address.
- 6) **The Register of Members and Share Transfer Books of the Company will remain close from Tuesday 6th day of August, 2013 to Monday 12th day of August 2013 (both days inclusive).**
- 7) Members may avail of the facility of dematerialization of equity shares 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 dematerialized. **The ISIN No of the Company is INE-013J01016**
- 8) In case of dematerialized equity shares, the dividend payment shall be made through NECS, wherever relevant bank account details are made available by NSDL and CDSL.
- 9) Those members who have not encashed /received the dividend warrants for the previous years may approach the Secretarial Department at the Registered Office of the Company for claiming un-paid / un-claimed dividend.
- 10) Dividend which remain unclaimed / un-encashed for a period of 7 years will be transferred by the Company to Investor Protection Fund (IEPF) constituted by the Central Government, under Section 205A and 205C of The Companies Act, 1956, no claim by the shareholder shall lie for un-encashed dividend transferred to IEPF.
- 11) 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.
- 12) Members are requested to bring their copies of Annual Report to the Meeting. In case of joint holders attending the meeting, only such joint holders who is higher in order of names will be entitled to vote. Members /proxies attending the meeting should bring the Attendance Slip, duly filled in for handing over at the venue of the meeting.
- 13) Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company.
- 14) Members are requested to intimate to Link Intime India Private Limited, Registrar and Transfer Agents of the Company their e-mail address for sending notice /documents through e-mail as per directives issued by Government of India, Ministry of Corporate Affairs, vide Circular No 17/2011 dated 21.04.2011.
- 15) As per Circular No MRD/DOP/CIR-05/2009 MAY 20, 2009 issued by Securities and Exchange Board of India (SEBI) it is mandatory to quote Permanent Account Number (PAN) for participating in securities market.

By Order of Board of Directors

Place : Pune
Date : 13th May, 2013

**R.S.KOTHAVALA
MANAGING DIRECTOR**

The documents and / or letters referred to in the above resolution/s and 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.

MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS

The forging Industry is vital organ of Indian economy. The year 2012-2013 has shown low economic growth. In the year 2012-2013 GDP growth was at 5 % as compared to 2011-2012 which was at 6.7%. Forging Industry serves needs of 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 31'st March, 2013 is satisfactory. Following is the summary of performance.

Year	2012-2013 (Rs. in Lacs)	2011-2012 (Rs. in Lacs)
Sales	4083.70	5628.08
Cost of operation	3362.90	4831.28
Interest & Depreciation	174.48	308.03
Profit before Tax	546.32	488.77
Provision for Taxation	(3.11)	164.75
Net Profit after Tax	549.43	324.02

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

Year	Total Export Value (Rs.)	Total Sales Value (Rs.)	% Export	% Export Growth (decline)
2010-2011	276,788,714	3163,93,558	87.48	4.85
2011-2012	511,183,411	5553,05,147	92.05	4.57
2012-2013	360,518,205	4083,70,315	88.28	(3.77)

GENERAL :

The Registered Office of the Company is situated at "Shivprasad", 18, Shivaji Co-operative Housing Society, off Senapati Bapat Road, Pune- 411016.

The Company is governed by ISO 14001:2004 for Environmental Management System and OHSAS 18001:2007 for Occupational Health and Safety Management System and also by ISO 9001:2008. The Company has also received certificate of recognition as Star Export House from Ministry of Commerce & Industry, Office Of The Joint Director General of Foreign Trade. The Forgings of the Company such as shaft, square, rectangular, blanks, rings, hollow etc are supplied to industries in Oil Field, Sugar, Steel, Cement, Gear, Thermal sectors. The company specializes in producing casing heads, cross forgings, tubing spools, 'y' forgings, body block forgings for SSB and SSBT Valves, Slip lock housing etc for Oil and Gas Industries.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY :

Company has reasonable Internal Control System to safeguard 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 economies of the western countries are still not showing signs of substantial improvement. The Companies export account for about 88.28% of the total business. International buyers are regular in placing orders to the Company. The Company is expecting increase in turnover in the next financial years.

However, uncertain market conditions are cause of concern. Impact of the Foreign Exchange Rate fluctuation is enormous on the working of the Company. Foreign Exchange Rate is presently favorable to the Company and helping it in international competition. The Company has taken forward exchange cover from Bank of Baroda, Pune Camp Branch to reduce the impact of foreign exchange rate difference. International competition at low prices from Chinese suppliers is area of concern.

OUTLOOK :

During the year under review, the Company was able to maintain sales despite subdued economic conditions. Market out-look for next two to three years looks promising. However, un-certainties and adverse movements in the exchange rate fluctuations may affect 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 a strength of 81 employees as on 31'st March, 2013. The Company continues to maintains cordial relations with its' employees. The key focus of the Company is on all around development of the employees. The Board places on record its appreciation for the sustained efforts and contributions made by the staff at all levels during the year under review.

APPRECIATION

Your Directors wish to place on record their grateful thanks to Bank of Baroda for their continued support and confidence reposed in the Company by the shareholders.

TO THE BOARD OF DIRECTORS OF RAJKUMAR FORGE LIMITED

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

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

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31'st March, 2013 and to the best of my 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 my knowledge and belief no transactions entered in to by the Company during the year ended 31'st March, 2013, 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 I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps that have been taken or proposed 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;
 - (iii) Instances of significant fraud of which I am 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 S. KOTHAVALA
Managing Director

Place : Pune
Date : 13'th May, 2013

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 are adopted with highest level of 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. The Company believes in maintaining highest standard of quality and ethical conduct, in all the activities of the Company.

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 2012-2013.

2. BOARD LEVEL ISSUES
• Composition of Board

The Board of Directors consists of Five Directors as on 31st March 2013, comprising of Chairman who is a non-executive Independent Director, Managing Director who is an executive director. The other three (3) Directors are non-executive, and out of them two are independent. Details are given in Table 1.

• During the year the Board Meetings were held on :-

Sr.No	Date of Board Meeting
1	12 th May,2012
2	11 th August,2012
3	10 th November,2012
4	11 th February,2013

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
R.S.Kothavale Managing Director	Promoter Executive	4	4
S.Padmanabhan Chairman	Non-Executive Independent	4	4
P.B.Kore**	Promoter and Non-Executive	4	2
S.R.Kothavale	Non-Executive	4	2
Pradeep Bhargava	Non-Executive Independent	4	4
Swastik Sirsikir	Non-Executive, Independent	4	4

** Mr.P.B.Kore resigned as Director of the Company effective from 1st January,2013.

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

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
Pradeep Bhargava	1	1
P.B.Kore	1	1
S.R.Kothavale	1	1
Swastik Sirsikir	1	1

OUTSIDE DIRECTORSHIP

Name of Director	Directorship in Public Limited Companies	Directorship in Private Limited Companies
R.S.Kothavale Managing Director	01	01
S.Padmanabhan Chairman	11	03
Pradeep Bhargava	06	02
S.R.Kothavale	00	00
Swastik Sirsikir	02	01

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 of 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
5. Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the directors.
6. Are not substantial shareholders of the Company i.e do not own two percent or more of block of voting power.
7. Are not less than 21 years of age

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 IA 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 with detailed notes along with agenda papers.

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 of 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 statutory 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 and management expertise. Accounts officers and financial executives, the Statutory Auditors and the Internal Auditors also attend the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee.

During the year the Board Meetings were held on :-

Sr.No	Date of Board Meeting
1	12 th May,2012
2	11 th August,2012
3	10 th November,2012
4	11 th February,2013

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 three non-executive Independent Directors. viz Mr. Pradeep Bhargava, Mr. Swastik Sirsikar are Mr. S. Padmanabhan are members of Remuneration Committee, with Mr. S. Padmanabhan as Chairman of the Committee.

The 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.

During the year the Remuneration Committee Meetings was held on:-

Sr.No	Date of Meeting
1	12 th May,2012

Attendance of the members of Remuneration Committee meeting is given below:

Name of Director	Category	No of Audit Meetings held	No of Meetings Attended
S.Padmanabhan	Non-Executive Independent	1	1
Pradeep Bhargava	Non-Executive Independent	1	1
Swastik Sirsikar	Non-Executive Independent	1	1

REMUNERATION TO DIRECTORS

REMUNERATION DURING THE YEAR 2012-2013

Name of Director	Salary (Rs.)	Perquisites (Rs.)	Sitting fees (Rs.)	Commission	Total (Rs.)
R.S.Kothavale Managing Director	19,01,013	4,23,613	Nil	1,14,000	24,38,626
P.B.Kore **	N.A	N.A	20,000	66,000	88,000
S.R.Kothavale	N.A	N.A	20,000	80,000	1,00,000
Pradeep Bhargava	N.A	N.A	90,000	80,000	1,70,000
Swastik Sirsikar	N.A	N.A	90,000	80,000	1,70,000
S.Padmanabhan	N.A	N.A	50,000	80,000	1,30,000
	19,01,013	4,23,613	2,70,000	5,00,000	30,96,626

Notes : Salary = Basic salary, Commission and Bonus only.

Perquisite include, Gratuity, Superannuation leave travel allowance and Medical Premium, personnel accident premium, club membership.

** For part of the year

5. **COST AUDIT** :- Central Government by Order No 52/26/CAB/2010 dated 30th June,2011 has issued circular requiring maintenance of cost records and audit of cost records required to be maintained relating to manufacture of steel (covered under Central Excise Tariff Act 1985, Chapter 72 & 73 and intermediate and allied products of industries) by practicing cost accountant from the financial year 2011-2012. Accordingly Mrs.Varsha Limaye has been appointed to Audit Cost Audit Records and submit Cost Audit Report.

Name & Address of Cost Auditor : Mrs.Varsha.S.Limaye
32,Navketan Society
Kotarud, Pune- 411058

6. INVESTOR/SHAREHOLDERS GRIEVANCE 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 as Chairman of the Committee. The status of Complaints is reported to the Board of Directors at every Board Meeting. Mr.Vijay.V. Kulkarni,Comapany Secretary ,Member of the Institute of Company Secretaries of India , is Compliance Officer. The Compliance Officer can be contacted at :

Rajkumar Forge Limited

"Shivprasad", 18, Shivaji Co-oprative Housing Society

Off Senapati Bapat Road

Pune-411016

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

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

The total number of complaints received and replied to the satisfaction of shareholders and SEBI during the year ended 31st March 2013 were seven. There were no complaints pending as on 31st March, 2013.

7. GENERAL BODY MEETINGS :

Date	Location	Time
31 st July,2010	Poona Club, 6 Bund Garden Road,Pune - 411001	10.00 A.M
30 th September, 2011	Poona Club, 6 Bund Garden Road Pune- 411001	11.00 A.M
11 th August, 2012	Poona Club, 6 Bund Garden Road Pune- 411001	10.30 A.M

One Special Resolution was passed at Twenty Second Annual General Meeting of the Company relating to re-appointment of Mr.R.S.Kothavale as Managing Director of the Company for a period of five years. No Special Resolutions were passed in the above meetings by postal ballot. No extraordinary general meeting was held during the year under review

8. PARTICULARS OF REAPPOINTMENT OF DIRECTORS :

1. **Mr. S. Padmanabhan** : Mr.S.Padmanabhan is M.SC Physics - Delhi University, Bachelor of General Laws - Bombay University, Diploma in Developmental Economics-University of Cambridge(U.K), Diploma in Management- Bajaj Institute of Management Accounting Studies (Bombay University). Being an IAS officer he worked as Chief Executive Officer, Koyna Earthquake Rehabilitation in Satara, Director of Tourism, Government of Maharashtra, Director - Dept of Atomic Energy- Government of India, Managing Director of the State Industrial & Investment Corporation of Maharashtra Ltd (SICOM), Commissioner Aurangabad Division. He has worked as Corporate Advisor to Bharat Forge, Dunlop, Deepak Fertilizers, Walchandnagar Industries Limited, Premier Automobiles Limited, Videocon Group. He is also on the Board of Videocon Industries Limited, Videocon Power Limited, Videocon Communications Limited and on the Board of other companies like Sudarshan Chemical Industries Limited, Desai Brothers Private Limited ,Goa Energy Private Limited, Acqua Pharma Chemicals Private Limited, Videocon Hydrocarbon Limited.

He is not holding any Equity Shares of the Company and is not related to Promoters of Rajkumar Forge Limited.

2. **Mr. Swastik Sirsikar** : Mr. Swastik Sirsikar has done a Diploma in Civil Engineering and Master in Business Administration and Diploma in Financial Management. He has rich experience of 33 years in construction business. He is Director in Swanak Engineering Private Limited. He is also Director of Nanded City Development Company Limited. He was Director of PoonaClub Limited. He is member of various international NGOS holding various responsible and key portfolios in the administrative capacities. He is holding 5100 equity shares of the Company and his shareholding is 0.47% of paid-up equity share capital of the Company.

He is not related to any of the promoters of Rajkumar Forge Limited or existing Directors of the Company.

9. DISCLOSURES

- a. During the year under review, there has been no materially significant related party transactions entered into by the Company with its Promoters, Directors or management that may have potential conflict with the interests of the Company at large.
- b. 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.
- c. Equity shares of the company continues to be listed on The Bombay Stock Exchange Limited which is having nationwide trading terminals.
- d. The National Securities Depository Services Limited (NSDL) and Central Depository Services (India) Limited (CDSL) continue to admit the equity shares of the Company for dematerialization.

The company is in process of framing whistle blower policy. However, the Company affirms that there were no instances of denying access to any personnel seeking hearing of the Audit Committee.

Your Company conforms to the mandatory norms of Corporate Governance as envisaged in the Companies Act, 1956 and in the Listing Agreement entered into with The Bombay Stock Exchange Limited. A report on Corporate Governance, along with the certificate of compliance from the Auditors forms part of this report. The company has not adopted the non-mandatory requirements as mentioned in Annexure ID of Clause 49 of the Listing Agreement.

10. 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 :

- a. Audited Financial Results for the period ended on 31.03.2012 on 14.05.2012.
- b. Unaudited Financial Results - First Quarter ended on 30.06.2012 on 13.08.2012.

- c. Unaudited Financial Results -Second Quarter ended on 30.09.2012 on 12.11.2012.

- d. Unaudited Financial Results -Third Quarter ended on 31.12.2012 on 12.02.2013.

The Company issues notices to the shareholders regarding convening of General Body Meeting and communication with Stock Exchanges, SEBI and the Registrar of Companies, Pune by Registered Post, Courier and Fax.The Company's website address is www.rkforging.com where all the necessary information relating to the Company and its performance is maintained by the Company.

11. GENERAL SHAREHOLDER INFORMATION :
• Annual General Meeting :

- I) **Date and Time** : 12th August,2013 at 12.00 Noon
Venue : Poona Club Limited, 6 Bund Garden Road, Pune - 411001
- II) **Financial Year** : 1st April,2012 to 31st March,2013
- III) **Date of Book Closure** : 6th August,2013 to 12th August,2013 (both days inclusive)
- IV) **Dividend Payment date** : The Board of Directors has recommended a dividend at 15% on equity shares .i.e Rs 1.50% per share. The dividend if declared by the Annual General Meeting will be paid within 30 days of date of declaration.
- V) **Listing on Stock** : The Company's shares are listed on The Bombay Stock Exchange Limited
Stock Id & Code : RJKMRF 513369
- VI) **Market Price Data** : High / Low of market price of the Company's shares traded on The Bombay Stock Exchange Ltd, Mumbai during the period from April,2012 to March,2013 is furnished below :

Month	High (Rs.)	Low (Rs.)	Volumes	Month	High (Rs.)	Low (Rs.)	Volumes
April, 2012	11.90	8.84	6,000	October, 2012	18.35	16	14,215
May, 2012	15.75	9.31	89,000	November, 2012	18.95	16	18,429
June, 2012	15.38	13.82	16,013	December, 2012	18.20	15.35	15,152
July, 2012	18.35	14.00	61,697	January, 2013	17.00	15.00	10,573
August, 2012	18.00	14.10	39,558	February, 2013	15.75	13.05	10,569
September, 2012	17.80	13.90	25,599	March, 2013	15.14	12.36	14,276

Source : Official website of The Bombay Stock Exchange (www.bseindia.com)

VIII) 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 and investor relation has been assigned to M/s 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
Telephone No (020) 26053503/26161629
E-mail ID : pune@linkintime.co.in

Share Transfer System :

The Company in its Board Meeting held on 25th November, 2010, has reconstituted the Share Transfer Committee by delegating the power of share transfer severally to Mr.Rajkumar S.Kothavale, Managing Director and Mr.Swastik Sirsikar, Director under Clause 49 (IV) (G) (iv) of the Listing Agreement with a view to facilitate quicker transfer and dematerialization of equity shares . The Committee meets on a weekly basis 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 15 (fifteen) days of receipt of certificate for transfer, excepting those rejected on technical grounds . There are no legal proceedings against the Company on any share transfer matter.

IX) Distribution of shareholding :
Distribution Schedule
Distribution of shareholding as on 31st March, 2013

Shareholding of Nominal Value Rs.	Shareholders Number	Shareholders % to Total	Share Amount in Rupees	Share Amount % to Total
Up to 5000	12326	99.3872	2,48,07,290	22.6770
5,001 to 10,000	31	0.2500	25,32,070	2.3146
10001 to 20,000	19	0.1532	25,67,880	2.3474
20001 to 30000	5	0.0403	12,36,000	1.1299
30001 to 40000	1	0.0081	3,25,000	0.2971
40001 to 50000	8	0.0645	39,83,760	3.6417
50001 to 1,00,000	4	0.0323	24,85,000	2.2716
1,00,001 and above	8	0.0644	7,14,57,000	65.3207
Total	12,402	100.0000	109,394,000	100.0000

Shareholding Pattern as on 31st March, 2013

Serial No	Category	No of Shareholding	% of Shareholding
A	Promoters holding		
1	Promoters		
	Indian Promoters	6,896,900	63.0464
	Foreign Promoters		
	Sub Total	6,896,900	63.0464
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	46,534	0.4254
B	Indian Public	3,888,927	35.5497
C	NRIS / OCBS	103,490	0.9460
D	Any Others	3,449	0.3160
	Sub Total	4,042,400	36.9527
	Grand Total	10,939,400	100.0000

X) Dematerialization of Shares :

The equity share of the Company have been 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, 2013 16,15,000 equity shares viz 15.15 % of the paid-up equity share capital has been dematerialized.

XI) Outstanding GDRs/ADRS/Warrants or Any Convertible Instruments, conversion date and likely impact on equity.

Not issued.

XII) **Plant Location :** Gat No 357, Kharabwadi, Chakan Talegaon Road, Chakan 410501, Taluka Khed, District Pune.

XIII) **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
TelephoneNo(020)26050084,26161629
E-mail ID : pune@linkintime.co.in

2. The Company Secretary
Rajkumar Forge Limited

"Shivprasad", 18,Shivaji Housing Society

Off Senapati Bapat Road,

Pune - 411016

Tel : 020-25639050,25639051,25639052

Fax : 020-25639049

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 : 13th May, 2013

RAJKUMAR S.KOTHAVALÉ
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, 2013.

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
Firm Registration No. 100997W

Place: Pune
Date: 13th May, 2013

A. N. Bapat
Partner
Membership No. 7524

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their Twenty Third Annual Report with Audited Accounts of the Company for the year ended 31st March 2013.

FINANCIAL HIGHLIGHTS

	31.03.2013 (Rs.Lacs)	31.03.2012 (Rs.Lacs)
Profit /(Loss) for the year before interest,	720.80	796.80
Financial Charges & Depreciation		
Less :		
Interest, Financial Charges for the year	101.41	238.08
Depreciation	73.07	69.95
Profit/ (Loss) for the year	546.32	488.77
Add/ (Less) Provision for Income Tax	80.00	(122.00)
Add / (Less) Deferred Tax	(83.11)	(42.75)
Net Profit/(Loss) for the period	549.43	324.02

Exceptional items included in Profits contains realisation an account following items in the financial year 2012-2013

- 1) Compensation received from suppliers Rs. 1,02,55,448
- 2) Profit or sale of land Rs. 1,28,31,960

DIVIDEND :

Your Directors recommend a dividend at the rate of 15.%, viz Rs.1.50/- (Rupee One Paisa Fifty Only) per share for the financial year ended 31st March,2013.

OPERATIONS:

During the year under consideration, customer order position was not satisfactory. Sales income is at Rs. 4083.70 Lacs compared to previous years Rs.5628.08 Lacs. Exports decreased from Rs. 5111.83 Lacs (previous year) to Rs 3605.18 Lacs. The Company has earned net profit of Rs.549.43 Lacs during the financial year 2012-2013.

PUBLIC DEPOSITS :

During the period under review your company has not accepted any fixed deposits from the public.

CAPACITY EXPANSION AND MODERNISATION

The Company has initiated a program of modernization and increase in capacity of heat treatment facilities and press shop modernization to remove constraints in production and improve turnover of the company with capital expenditure of Rs.1630 Lacs . The capital expenditure will be partly funded by internal accruals and bank finance.

PUBLIC DEPOSITS :

During the period under review your company has not accepted any fixed deposits from the public.

CLARIFICATION ON AUDIT QUALIFICATIONS:

The information as regards vendor under "The Micro Small and Medium Enterprises Development Act, 2006 is pending and hence no disclosure has been made in this regard

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuance to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, your directors confirm that:

- 1) In the preparation of the Annual Accounts for the financial year ended March 31, 2013 , the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.
- 2) The Directors have selected accounting policies and have been applied them consistently and have made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for the financial year under review.
- 3) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) The Directors have prepared the annual accounts for the financial year ended March 31, 2013 on " going concern basis".

DIRECTORS :

Mr S.Padmanabhan retires by rotation at this Meeting and being eligible, offers himself for re-appointment. Mr. Swastik. M. Sirsakar retires by rotation at this Meeting and being eligible, offers himself for re-appointment. The brief resume and other details relating to the Directors who are to be re- appointed form part of the Report on Corporate Governance.

During the year under review Mr.P.B.Kore resigned as Director of the Company effective from 1st January,2013.

AUDITORS :

You are requested to re-appoint the retiring auditor M/s Bapat & Company for the current year to hold the office from the conclusion of ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

PERSONNEL :

There are no employees in respect of whom particulars are required to be disclosed pursuant to Section 217 (2A) of Companies Act ,1956.

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

The additional information required under the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules ,1988 and forming a part to this report I is given in Annexue A to this report.

ACKNOWLEDGEMENTS :

Your Directors wish to place on record their appreciation for the co-operation extended by various Government Authorities, Financial Institution/s, shareholders, and staff of the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Pune

Date 13th May, 2013.

R.S.KOTHAVALA

MANAGING DIRECTOR

ANNEXURE TO THE DIRECTORS REPORT
ANNEXURE-A

Information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors Rules, 1988

A Conservation of Energy
a. Energy conservation measures

- a. The Company has installed 1600 Tons Press Complex with integrated manipulator and ingot truck ,rotary table , equipped with Computer control. This is very high-speed press with computer C.N.C. control which results into optimum productivity and reduction in energy cost. The Company has also installed winflow an energy saving device. Company has undertaken press modernization program and use of clean energy resource viz gas to reduce pollution levels.
- b. Impact of measures under (a) The Company is converting its furnaces to operate on gas. This is expected to reduce energy Cost by 10%.
- c. Total energy consumption and energy consumption per unit of production as per Form A of the Annexure to the Rules in respect of Industries specified in Schedule thereto

POWER AND FUEL CONSUMPTION

	2012-2013	2011-2012
1. Electricity Purchase		
Units (in KWH)	15,55,600	18,20,135
Total Cost (Rs.)	1,24,50,100	1,40,80,331
Rate/Unit (Rs.)	8.00	7.74
2. Fuel		
Oil Quantity (K.L)	1,898.66	2296.735
Total Cost (Rs.)	1,04,572,263	11,68,13,726
Rate/K(Ltrs)	55,077	50,860

CONSUMPTION PER UNIT OF PRODUCTION

1. Steel Forging Production (MT) 2,236.340 4,133.056
- Electricity (Unit- KWH) 695.60 440.38
- Fuel Oil (Ltrs) 849.00 555.70

Consumption per unit of production has increased due to change in product mix and additional Heat Treatment process required by the customers.

B. Technology Absorption Research and Development (R & D)

1. Specific Areas in which R & D Activity is being carried on by the Company
 - Development of new products
 - Improvement of product quality
 - Process Improvement
 - Cost effectiveness
 - Cost reduction

2. Benefits derived out of above R & D : The Company is confident of improvement in product quality as well as being cost effective.

3. Future plan of action

The Company's efforts will continue in the areas of development of new and critical forgings and improvement in quality. The Company possesses the necessary technology for manufacturing of forgings.

C. Foreign Exchange Earnings and outgo

	2012-2013	2011-2012
Foreign Exchange inflow		
FOB value of Exports (Rs. Lacs)	3605.18	5111.83
Others	NIL	NIL
Foreign Exchange outflow (Rs. Lacs)	31.82	5.67