

**CHAIRMAN SPEECH AT 21'ST ANNUAL GENERAL MEETING OF
RAJKUMAR FORGE LIMITED ON 30'TH SEPTEMBER 2011**

Dear Shareholders,

I take this opportunity to welcome you all to the 21'st Annual General Meeting of the Company on behalf of the Board of Directors of Rajkumar Forge Limited. I thank you for sparing your valuable time to make it convenient to attend.

The Annual Report containing Directors Report and Audited Accounts for the year ended 31'st March, 2011 has been mailed to all of you and with your permission I take it as read.

ECONOMIC SCENARIO

I take this opportunity to share with you perspectives of the current economic environment and trends in the country. The financial year 2010-2011 witnessed moderate economic growth. In the year 2010-2011 GDP growth was about 7.8% . Indian Economy is doing relatively better compared to western economies. The economic activity re-affirms that the centers for economic growth are shifting from developed nations to the developing nations like India , where cost of skilled labour is low and demand for goods and services is increasing.

PERFORMANCE OF RAJKUMAR FORGE LTD

Our unit caters to the needs of heavy engineering and Oil and Gas Industry. Our company's business is about 90% exports and since world wide economy was not doing well , performance of the company was affected. Company's main markets are Oil and Gas Industry, which was under slow down. From Jan 2011/February 2011 there are good signs of recovery and Oil and Gas Industry has resumed issuing purchase orders. Current order booking for exports is extremely healthy and shows 4 months backlog. US dollar has appreciated considerably and this will improve export realization.

GROWTH STRATEGIES

About 90 % total sales of the Company are export sales . The Company is further developing the foreign market in its' core sectors oil & gas along with that of other sectors .

CAPACITY EXPANSION

The Company is installing new heat treatment plant at its existing facilities. The expenditure required for the same is funded by the internal accruals. With the commencement of heat treatment plant, capacity utilization will go up to 70 % of the installed capacity.

HUMAN RESOURCESE & CRPORATE SOCIAL RESPONSIBILITY

The company treats its human resources as an asset. The capabilities of our employees are being improved through continuous training .

RE-APPOINTMENT OF DIRECTORS

As per the provisions of 256 of the Companies Act,1956, Mr.Pradeep Bhargava and Mr.Swastik Sirsikar are the Directors who will retire by rotation at this Annual General Meeting and are eligible for re-appointment.

CONCLUSION

Ladies and Gentlemen , before I conclude ,I would like to place on record my sincere appreciation on behalf of the Board of Directors to all our customers, both domestic and international for their active support which has been a source of great encouragement and inspiration. I also thank Bank of Baroda,Senapati Bapat Road Branch, Pune for their encouragement and continued support to the company.

My fellow Directors and I are thankful to each of the shareholder for the confidence reposed in us. I earnestly hope that you will continue to extend your whole- hearted support to us for growth and progress of the Company.

Thank you !

Place : Pune

S.Padmanabhan

Date :30'th September,2011

CHAIRMAN
