

**CHAIRMAN SPEECH AT 20'TH ANNUAL GENERAL MEETING OF
RAJKUMAR FORGE LIMITED ON 31'ST JULY,2010**

Dear Shareholders,

It gives me great pleasure to welcome you all to the 20'th Annual General Meeting of the Company on behalf of the Board of Directors of Rajkumar Forge Limited and my self. 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, 2010 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 2009-2010 witnessed moderate economic growth. In the year 2009-2010 GDP growth was about 6% . Indian Economy is already showing considerable revival due to stimulus packages. However, the economies in western countries are still under slow down.

PERFORMANCE OF RAJKUMAR FORGE LTD

Our unit is related to Heavy Engineering and machine building industry and our exports are mainly to oil and gas equipment manufacturing industry. Oil & Gas Equipment Industry world over was under slow down . However, there are signs of revival of the economies of USA and Europe. The demand for our products is picking up and is expected to reach normal levels by 2011 end.

We are keeping our focus on the long-term and managing short-term turbulence by maximizing operational excellence to meet the challenges.

EXPORT GROWTH STRATEGIES

About 80 % total sales of the Company are export sales . The Company is trying to further develop the foreign market in its' core sectors oil & gas and other sectors as well.

CAPACITY EXPANSION

Presently Company is utilizing approximately 40 % of its installed capacity. The Company is in the process of installing new heat treatment plant at its existing facilities. The -expenditure required for the same is expected to be partly funded by the internal accruals. With this additional capacity utilization will go up to approximately 70 to 80 % of the installed capacity.

HUMAN RESOURCESE & CRPORATE SOCIAL RESPONSIBILITY

The company considers its human resources as an asset. We are continuously improving capabilities of our people through training and sharing of expertise available.

As responsible corporate citizen, we have reached out to Society in general by providing about 2400 mtrs of the land of the company premises which is on the hill side for building overhead tank by Maharashtra Jivan Pradhikarn for supply of water to Chakan Industrial area and villages in the vicinity. This land was provided at concessional rate to Chakan Industries Association.

RE-APPOINTMENT OF DIRECTORS

As per the provisions of 256 of the Companies Act,1956, Mr.S.Padmanabhan and Mr.Shantanu.R.Kothavale 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 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
