

CHAIRMAN'S SPEECH

Dear Shareholders,

It gives me great pleasure to present to you the audited financial results for the year ended March 31, 2017.

Due to sluggishness in the Oil and Gas sector for the last three years because of falling crude oil prices, the core business segment of the Company (RKF), sales have plummeted to an all-time low in the last financial year. Coupled with the disinterest of the old management in running the company, most of the customers suspended placement of orders. This has resulted in the company declaring a loss for the year financial year 2016-17.

Since the takeover of RKF by the new management on November 28, 2016, the fourth quarter has gone in taking various actions to kick start the operations, which was virtually dormant for most part of the last 2 years. Lot of investments need to be made on the capital & infrastructure front to bring the plant to reasonable level of operations. Under such adverse circumstances, Company explored every possibility of garnering business from domestic companies and even undertaking job work to book idle capacity. This strategy has helped management to mitigate the losses in the last quarter.

With the present Government initiative of Make in India campaign, along with a slew of path breaking reforms, India is poised to maintain its growth after having clocked the fastest economic growth with a GDP of 7.6% in 2015-16. The Government has performed well on all major parameters like fiscal deficit, lower current account deficit, high foreign exchange reserves, huge FDI inflows, high investor confidence. The Make in India concept is bound to attract huge FDI, boost investor confidence and increase entrepreneurship, particularly in Defense, Aerospace, and Transportation. Defense will be the biggest beneficiary of localizing, since India is the largest importer of arms and related equipment's.

With growing geopolitical equations in Asia and the West, there is bound to be a shift from China towards India as the next cost efficient quality manufacturing base. India is well poised with its burgeoning young population and highest trained engineers graduating every year, to reap the benefits in the future.

Going forward, the management is making foray into all sectors domestically, catering to an entire gamut of industrial segments like infrastructure, engineering, mining, Oil & Gas and Defense. It will revive its old relationships with the Oil & Gas customers, now that there is a continuity in business and as strong management at the helm of affairs. With all the positive indicators mentioned above, I foresee a very bright future for the Company.

I am thankful to all our esteemed customers, shareholders, bankers, business partners, government agencies, employees for their continued support and commitment.

Sd/-

Arun Jindal