

# **CHAIRMAN SPEECH AT AGM OF RAJKUMAR FORGE LIMITED**

**ON 25'TH JULY,2008**

**Dear Shareholders,**

**It is my pleasure to extend a very warm welcome to all of you on behalf of the Board of Directors of Rajkumar Forge Limited and my self to this 18'th Annual General Meeting of the Company. 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, 2008 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 2007-2008 witnessed moderate economic growth . In the year 2007-2008 GDP growth was 8.7% . We need to appreciate that Indian economy do face certain challenges, such as need for better infrastructure, keeping inflationary pressure under control which has since risen to 12 % , rising energy cost, phenomenal increase in crude oil prices, higher interest rates, ever increasing prices of steel in the domestic and international markets**

## **PERFORMANCE OF RAJKUMAR FORGE**

**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, which is growing at brisk speed . The demand for our products is very encouraging and is expected to continue for next three to four years. On the other hand the high input costs due to increase in the steel prices of special steel required by the company and higher energy costs are putting pressure on the margins of the Company .**

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## **EXPORTS INITIATIVES & GROWTH STRATEGIES**

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**About 70 % of total sales of the Company are export sales . The Company is trying to further develop the foreign market in sectors other than oil & gas industry.**

### **CAPACITY EXPANSION**

**Presently Company is utilizing approximately 50 % of its installed capacity. The Company is in the process of heat treatment plant at its existing facilities. The expenditure required for the same is expected to be funded by the internal accruals.**

**With this additional capacity utilization will go up to approximately 70% .**

### **HUMAN RESOURCESE & CRPORATE SOCIAL RESPONSIBILITY**

**The future of your company will depend on how we use human resources. Training, building team sprit, and delegation of authority are the means to encourage the employees to achieve the common goals for the benefit of organization and customers. We believe in creating managerial leaders through training and development and gradual growth in the competency levels of the existing human resources.**

### **ACKNOWLEDGEMENT**

**I would like to thank all our valued customers, both domestic and international, their active support has been a source of great encouragement and inspiration. I take this opportunity to thank Bank of Baroda for their encouragement and support to the company.**

**I sincerely appreciate the contributions of all our employees and request them to carry on the good work.**

### **CONCLUSION**

**While concluding I express my personal gratitude for the confidence that you have reposed in the Company and its Directors. I earnestly hope that you will continue to extend your whole- hearted support to us so that we , management team and all our employees will take further the growth and progress of the Company.**

**Thank you !**

**25'th July, 2008**

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