

Ladies and Gentlemen

Let me wish you all a very good morning and welcome you to the twenty eighth Annual General Meeting.

The Annual reports have been with you for a while and with your permission I take them as read.

Please join me in welcoming Sabitha Rao to the Board of Directors. She brings with her rich and varied experience in HR, Finance and business consulting.

The economy and more specifically the manufacturing segment continued to go through a difficult phase of a trade cycle in 2014-15. While there appeared to be some genuine intent to push for policy changes to spur investments, it is widely felt that it is going to take some time before momentum picks up. Multiple issues ranging from project delays, infrastructure bottlenecks, financing constraints drove down business sentiment. Global developments were not too conducive either.

Given the above backdrop, sales on an annualized basis grew by 1.4% over 2013. This was in the context of flat / declining trends in industrial production indicators and reported decline in sales/ profitability of our key competitors.

Profit before exceptional items was about 18% lower on an annualized basis due to pressure on margins arising from firm trends in Steel prices, a difficult product mix and higher spends on channel payouts to protect market shares.

The Company has made significant strides in improving its productivity and cost competitiveness. Your Company enhanced its range of product offerings and are also in the process of completing an industrial restructuring program involving closure of its Consumables Plant at Khardah. We continue to work on our industrial footprint and rebalancing of capacities at various locations.

Some upside was seen in the first quarter of this fiscal year in select segments like Automobiles while several of the other key customer segments continue to encounter headwinds. Your Company has announced its results for the Quarter ended June 30, 2015. Sales was at comparable levels at Rs.107.97 Crores as compared to Rs.105.28 Crores in the previous Quarter. However, Profit Before Tax and Exceptional items grew by about 61% to Rs.11.4 Crores driven by a better product mix, sourcing gains and tight control on overheads.

The market related scenario continues to be difficult, we are banking on product launches, mix and cost controls to sustain and improve current levels of profitability. We continue to work with our channel partners to achieve reach and grow market shares.

We expect significant pressures on working capital due to tight liquidity conditions in the market and the need to maintain Inventory for achieving high levels of customer service. Further, volatilities in commodity prices, project execution delays at customer end, exchange rate fluctuations and an increasingly complex tax and compliance environment are risks that need to be addressed or managed during the rest of the financial year.

We continue to recognize the need to conserve resources to capitalize on any opportunity that may come up. It is key that we have the strength in our Balance Sheet to grab whatever opportunities a difficult trade cycle can generally throw up.

The Company works closely with its parent company and its affiliates to achieve global standards on operations.

I would like to place on record our sincere acknowledgement and appreciation to the Company's operating team for all their efforts during the year gone by.

I would like to thank the Company's customers who have shown immense faith in us. We would like to thank all our suppliers, bankers and other stakeholders for their engagement with the Company and for all their support.

We would like to thank our Shareholders for continuing to support the Company in all its endeavors.

I look forward to your continued support.

Thank you.

DANIEL A PRYOR
Chairman

P.S. This does not purport to be a record of the proceedings of the Annual General Meeting.