

## **Ladies and Gentlemen**

Good Morning to you all and it is my pleasure to welcome you to the thirtieth Annual General Meeting of our Company.

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

We ended the financial year on a reasonably satisfactory note given the context of some significant changes in the business environment that we operated in. The core customer segments as well as manufacturing in general witnessed one more year of dull trading conditions with no signs of revival in the investment cycle.

Lagging industrial indicators, stress in the banking sector together with adverse trends in the global economies continued to pose strong challenges to Industry and the Country. Steel prices were firm through the year with consequent pressures on margins.

De-monetization of currency together with the subsequently introduced GST brought in additional uncertainties though it is our expectation that these moves would help the organized segment and ensure greater transparency in businesses overall.

Given this backdrop, we are pleased to inform members that the Company grew 5% in terms of sales and about 2% growth in Profit before exceptional items and tax. The Company made satisfactory progress in terms of product launches and expansion of reach through channel partners. We expect to have gained market shares as this growth has come in a market which saw decline in broad indicators on industrial production.

The Company's continuing focus on costs and productivity helped navigate strong challenges in the operating environment. The Company continued to right size its operations with product transfers capacities and headcount rationalization across locations.

Your Company continued to make good progress on a small base on shared services and R&D operations which also brought in valuable foreign exchange. This is seen as an opportunity to scale up and to generate employment opportunities.

In terms of business outlook, some of the initiatives including GST bode well for the medium to long term. But the key issues would be in terms of how quickly the transitioning happens in the economy over the next 2 quarters, given the structural complexities, which a change of this nature brings in.

We also expect significant pressures on working capital due to the new tax regime and overall liquidity conditions. 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.

The Company shall continue to maintain a high level of focus on productivity and costs. The Company intends to continue working closely with its parent company and its affiliates to achieve global standards on operations.

Our success in no small measure has been the result of tireless pursuits of your Company's operating team and we would like to thank them for all their efforts during the year gone by.

I would like to thank the Company's customers who have continued to show 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.

**Chairman**

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