

CHAIRMAN'S SPEECH AT THE 36th ANNUAL GENERAL MEETING HELD ON JULY 27,2016

Ladies and Gentlemen:

I am pleased to extend, on behalf of my colleagues and myself a very warm and cordial welcome to all of you to the 36th Annual General Meeting of the Company.

Company's performance for the period under review

Net sales during the year at Rs. 3006.67 lacs (previous year Rs.2648.29 lacs) are higher by 13.53%. PBT has increased by 26.33% from Rs.673.47 lacs to Rs.850.33 lacs on account of higher volumes and the global decline in prices of crude oil and other commodity inputs.

FY 2015-16 was a mixed year for Indian manufacturing, with

- A slowing global economy
- Measures by the Indian government to kick-start and realize the development potential of the economy and provide the much needed impetus to growth

During the year, the government had to address the issue of managing its fiscal deficit, creating a fair and competitive environment for business and attracting investments in the manufacturing sector. The government has focused on reforms across different sectors of the economy and with increased spending on basic infrastructure of rail and road and the "Make in India" programme, its efforts have been to provide the initial push.

Your Company's emphasis on improving quality and productivity has helped it to leverage its competitive strength for sales and profit growth during the year.

Current year outlook and business strategy

Market growth in the Indian mobility industry for both people and goods has a very large potential given the geographical spread and size of population.

Given the relatively low current penetration, personal mobility is spurred by the growing middle class and an aspirational young population, in both urban and rural areas.

Growth in the goods mobility segment is being driven by the need to establish strong supply chains between producers and markets. The commercial vehicle segment is dependent on activities in mining, infrastructure and logistics. Increased investment and activities in mining coupled with higher logistical requirements from E-commerce sectors augur well for the segment. The automotive sector is also expected to benefit from the rapid urbanization which will drive the need for personal and public transportation in the expanding cities of the country.

The continued capacity expansion by major OEMs, has encouraged auto component manufacturers to invest in new capacities and expand operations while effectively addressing challenges of fuel efficiency, safety and increased comfort.

Going forward, there are high expectations from the present government that a key economic reform- the Goods and Services tax(GST), which is expected to be passed in the current session of Parliament, will replace multiple central and state levies and boost the Indian economy in the short and medium term.

Of course, the industry and your Company have to take all measures to counter the threat of cheap imports by minimizing waste, increasing efficiencies and producing high quality products.

FY 2016-17 Q1

During the quarter ended 30th June, 2016, sales turnover (exclusive of excise duty) of Rs. 751 lacs has grown by 14% compared to the sales turnover of Rs. 660 lacs achieved during the corresponding quarter of the previous year. Profit after tax during the quarter 1 has also grown by 14% to Rs.131 lacs compared to Rs. 116 lacs during the corresponding quarter of the previous year.

The Company expects that the market will improve and with the new capacities which have become operational, it will be able to enhance volumes by developing new products and adding to its customer base so that the financial results are better. With a lean organization, management expects to capitalise on all opportunities and will make every effort to further improve performance during the current year.

Acknowledgements

I take this opportunity to thank the company's shareholders, bankers, suppliers, stockists, and acknowledge the efforts of the management teams of the company and the holding company and all the employees for their dedicated efforts in supporting the company.

Harshbeena S Zaveri
Chairman

July 27, 2016