

CHAIRMAN'S SPEECH

(at the 32nd Annual General Meeting of the Company held on July 28, 2012)

Dear Members,

I extend a very warm welcome to all of you at the 32nd Annual General Meeting of our Company. I would like to thank you all, for your presence here today, and I appreciate your incessant interest in the Company.

The Company's Annual Report for the year 2011-12 has already been circulated to you. With your kind permission, I would like to take it as read.

Financial Results of the Company for the year 2011-12

The financial year 2011-12 was a satisfactory year. Sales grew by 18% which was in line with the Automobile Industry. However, the margins were under pressure in view of weaker rupee and higher material & personnel costs.

Economic Scenario and The Road Ahead

From beginning of the current year, there are visible signs of weakness in demand in Automobile Sector. Some of the major manufacturers in this segment have cut down their production with a view to ease the situation of inventory pile-up. As per SIAM (Society of Indian Automobile Manufacturers), the Medium and Heavy Commercial Vehicles have registered de-growth in April and May 2012. Earlier, SIAM had forecasted overall 9-11% growth in Commercial Vehicles for 2012-13. However, very recently, SIAM has cut its sales forecast for Commercial Vehicles to 6-8% from 9-11%, due to high interest rates and overall economic slowdown. In view of this uncertain environment, we are having very cautious outlook.

Your Company is diversifying into Renewable Energy Industry. As you know, your Company generates Electricity from Renewable Sources-from Wind and Solar. During the financial year under review, the Company's 5MW solar power plant was commissioned at Santalpur, Patan, Gujarat. This business segment is relatively steady while compared to Automobile Components segment.

First Quarter (Q1) of the Current-year

Your Company's Sales figures are as under:

Particulars	April to June 12	April to June 11	January to March 12
Power Steering Gears – CV/ MU / BUS	47,075	48,919	60,072
Rack & Pinion Steering Gear Power	4,635	4,016	7,279
Mechanical Steering Gear	34,346	44,267	43,905

Acknowledgements

I would like to express my warmest greetings and sincere thanks to the Members of the Board for their sustained encouragement/commitment, faith and support. Your continued trust & dedication provides us strength.

I take this opportunity on behalf of the Board of Directors to thank our esteemed shareholders.

Looking forward to your continuing support.

Thank you.

July 28, 2012

Dinesh Munot

Chairman & Managing Director