

CHAIRMAN'S SPEECH - at the AGM on 22nd JULY, 2011

Dear Shareholders, Ladies and Gentlemen,

It gives me great pleasure to extend to all of you a warm welcome to the 58th Annual General Meeting of your Company.

The Audited Statement of Accounts for the financial year ended March 31, 2011 together with the Directors' Report and Annexure were mailed well in advance to all and I, therefore, take these as read. I am sure, our decision to follow the "Green Initiative guidelines" in the matter of sending the 58th Annual Report to all of you whose email addresses were made available to us by the Depository Participants through our RTA, is appreciated by you all. We thank you for supporting the said "Green Initiative" and thus contributing towards saving environment as well as cost.

Last year was a relatively difficult year on account of the rising raw material costs that could not be fully passed on to the customers. Our business was also impacted by the changes in product mix taking place due to shift from manual to automatic welding processes. Notwithstanding these, our turnover registered a growth of 13% from Rs. 261 Crore to Rs. 294 Crore and the PBT was maintained almost at last year's level. Our Welding Consumables Sales grew by 14% and the Equipment Sales by 11%. Our exports, which are primarily to the Middle East and Gulf countries, have shown improvements in the latter part of the last year and the trends are positive for the growth to accelerate in the current year.

The current year continues to pose challenges from inflationary pressures, rising raw material prices, tight availability of some key minerals and the consequent de-acceleration in growth and investments for new projects, especially in the infrastructure area. Your Company, however, has decided to respond to these challenges with strategic improvements in Cost Management and a very intense & customer focused marketing programme that will provide attractive buying proposition for its customers. The introduction of new products and coverage of new markets in domestic as well as exports will also give impetus to our commitment for growth. We expect the

Export business to be performing better in this year with the oil-based economies showing improved performances.

The Ador Institute of Welding Technology (AWIT) continues to extend its role in creating an ever growing pool of trained welders, welding quality and production managers. It has established partnerships of various forms that facilitate a variety of training service models to harness the expertise of AIWT proven curriculum and its brand equity. The institute is also pursuing opportunities to closely work with NGOs and welfare centres that focus on rehab initiatives and vocational training for the needy in the society. Your Company has decided to knit this activity in its CSR programme and plans.

Finally I would like to express, on behalf of the Board of Directors, its Executive Management Team and employees at all levels our sincere appreciation and thanks to all those who have contributed to the performance of the Company. I look forward to the continued co-operation and support of all our esteemed Customers, Distributors, Dealers, Channel Partners, End – Users, Government Agencies, Service providers and Supplier/ Vendors etc.

Last but not the least I take this opportunity to thank the shareholders and investors for their unconditional support for the well being of the Company.

Thank you,

Aruna Advani

Executive Chairman

Place : Mumbai

Date : 22nd July, 2011