

**36th ANNUAL GENERAL MEETING
28th SEPTEMBER 2005**

CHAIRMAN'S SPEECH

Dear Shareholders,

On behalf of the Board of Directors, I welcome you all to the 36th Annual General Meeting of your Company. The notice of AGM, Directors' Report and the Audited Accounts are already with you and with your permission, I take them as read.

UPSWING INDIAN ECONOMY

To start with I would like to share some good news with you. All of you must be pleased to note that India is now occupying centre stage in the world and we are in the midst of the largest transfer of wealth operating between America - Europe and India – China. The Indian economy is marching towards boom phase. In recent times, it has out paced all other economies of the world in growth. Economic liberalisation has thrown up significant opportunities and challenges for the Indian industry. The globalisation of the Indian market lead to the technological upgradation of the industries and economies of scale. This resulted in record industrial growth during the last couple of years. With expected annual GDP growth at 6.9% level, inflation in control & substantial foreign exchange reserves, rising sensex, rise in disposable incomes, the industrial outlook is very promising and progressive. The industrial growth called for infrastructural development and import of advanced technologies. The Indian industry came out successful in competition with their counterparts around the world. Industrial growth coupled with infrastructural development results in better employment opportunities and increase in consumer demand with housing facilities, etc. All these resulted in cyclical impact of industrial growth and gave impetus to our economy. Recent abnormal record rise in oil prices will certainly affect the industries to some extent for which concentrated efforts are mooted.

STEEL & ROLL INDUSTRY

Steel industry is no exception. It has recorded an excellent growth all over the world and especially in India and China where the production has gone up during the last 1½ years beyond one's imagination. Increase in demand of steel catering to industrial growth together with infrastructural development enabled India to be a hub of steel making for the world leaders. With enormous mineral resources, rich iron ores, economical manpower cost and lower cost of production is a boon to Indian steel industry and the economy as a whole. Major world class steel manufacturers are competing to install their manufacturing facilities in India, which has huge iron ore reserves. The steel industry has turned around this time and is coming out with flying colours. This has certainly boosted our roll industry. In the wake of boom in steel sector, the roll industry has also started recovering, with increase in demand in the domestic as well as international market.

OPERATIONS & PERFORMANCE

Last year, the Textile Division of the Company was demerged into a separate Company namely, "GPI Textiles Ltd". The Scheme was an effort to enhance shareholder's value and also to diversify investor's risk. Consequent upon the Demerger, the Company continued to focus its attention to the development & growth of the roll division as its core activity and create a niche in the competitive market.

Your company, one of the leading manufacturers of rolls is presently having 2 Divisions – Cast Rolls and Forge Rolls, which are primarily required for the steel industry. The total revenue of the Cast Roll Division increased to Rs. 7118 lacs in comparison to last year turnover of Rs. 6156 lacs, thereby an increase of 16%. This Division made an export of 1778 MT during the year under review. Similarly, the Forged Roll Division has also registered a sales of Rs.2832 lacs against the previous year's turnover of Rs.2021 lacs reflecting an impressive growth of 40%. Your company has suffered a loss of Rs. 150 lacs during the year under review primarily because of unprecedented increase in the prices of inputs which could not be absorbed by fix priced long term contract. However, I am pleased to inform you that your company has recorded a net profit after tax of Rs.157 lacs during the first quarter of the current financial year against the net loss of Rs.168 lacs during the corresponding quarter of the previous year. During the first quarter of current financial year, your company has achieved record production of 2810 MT and turnover of Rs. 3213 lacs, registering a growth of 33% and 54% respectively as compared to corresponding quarter of previous financial year. Your company has achieved a land mark of 1001 MT production in a single month in June'05. The outlook for the current financial year appears to be progressive and growth oriented.

Now, I would also like to share with you my concerns about the company's competitive position in the Indian steel industry and roll industry in particular. Regular increase in steel prices and with 200 to 500% of increase in prices of some key inputs in the recent past affected the performance of the company to a great extent. Further, our major area of concern is non-availability of forged blanks in time and at appropriate cost due to scarcity and high demand all over the world. However, your company is making every possible effort to increase the number of resources in order to improve the flow of blanks. This will ensure smooth production.

COMPANY'S VISION AND PLAN

Your Company envisions to be a leading global player in the field of Roll industry. With the advancement in technology, your company is making all out efforts to synchronise their product and process with the latest technological development practised worldwide. In order to compete with the international market and to cater to the needs of your customers, your company is spending reasonable amount towards research and development activities in the plant. Your company's future plan calls for technological innovation and upgradation. The continuous research work being carried out in our R & D facilities help us in our endeavour to improve the quality of rolls and to explore new market opportunities. Our R & D centre ensure maximum assurance level and are continuously engaged in developing better quality products. Your company is also making effort in the overseas market by providing more value

added products and services. The core value of the company would focus on the customers and provide total quality assurance.

Your Company tends to develop a strong portfolio of profitable businesses in international market. It is in a continuous process to attract and develop competent and committed human resources to match international standards, research for adoption of state-of-the-art technologies, breakthrough efficiency improvements. It would endeavour itself to be a socially responsible corporate entity with thrust on environment protection, community development and energy conservation.

FOCUS ON MODERN MANAGEMENT TOOLS & TECHNIQUES

In order to improve and maintain good corporate practices, your Company has lent credence to Modern Management initiatives which includes Six Sigma, Total Productive Maintenance (TPM), Performance Management System (PMS), Activity Based Management (ABM) and such other exercises involving 100% people participation. These initiatives inculcate a sense of dedication towards the Company and thereby create values for stakeholders. Every aspect of the Company's activities is analysed by competence, motivation and general effectiveness of its human resources. My vision gains strength because all the functions focusses on management of the human component, which is the central and most important task, since all depends upon how well it is done. It enhances the efficiency of human asset.

CORPORATE GOVERNANCE

Your Company believes that sound Corporate Governance is significant to enhance and retain investor's trust. Consequently, your Company always seeks to attain its performance rules with integrity. Your Company also endeavour to enhance long term shareholder value and respect minority rights in all respects.

During the current fiscal year, your Company has made a major turnaround in stock market. Trading in shares of the Company, which were temporarily suspended on account of Demerger, has commenced on the Bombay Stock Exchange with a lot of fanfare. Share price of the Company continues to witness upsurge since its re-listing. I further add that the Trading permission has also been obtained from The Calcutta Stock Exchange.

ACKNOWLEDGEMENT

I feel privileged to thank every stakeholder of the Company - investors, customers, financial institutions, banks, suppliers, the Government and our employees who play a vital role in our success. Without their support and tireless efforts we could not be where we are today. We are grateful to each one of them for being with us and sharing in the making of the Company's future. I also thank my colleagues on the Board for the major role they played in charting a successful course for the Company.

Above all, thanks are due to you, our shareholders for your continued support and encouragement.

Thank you once again.