

**38th ANNUAL GENERAL MEETING
16th August 2007**

CHAIRMAN'S SPEECH

Dear Shareholders,

It gives me great pleasure to welcome you to the 38th Annual General Meeting of your Company.

I thank you for having spared your valuable time and made it convenient to attend.

The Annual Report containing the Directors' Report and the Audited Accounts for the year ended 31st March 2007 has been with you for some time and, with your permission, I take them as read.

It is a matter of satisfaction for me to report yet another year of strong performance of your Company.

ROBUST ECONOMY

To start with I would like to highlight the performance of the Indian economy. The Indian economy witnessed robust growth during 2006-07 for the fourth year in succession. Buoyed by spectacular performances by manufacturing and certain services sectors, the economy ended 2006-07 with a growth of 9.4 per cent, exceeding the earlier projection of 9.2 per cent.

However, the overall economic growth, as measured by the GDP at factor cost, slowed down to 9.1 per cent during the fourth (January-March) quarter of 2006-07 as compared to the 10 per cent growth achieved during the same quarter in the previous fiscal.

FINANCIAL PERFORMANCE

Your Company posted impressive results for the second year in succession. I would like to highlight the key aspects of your Company's performance during the year.

- Operating Income increased by 20.90% from Rs 122.20 Crores in 2005-06 to Rs 147.74 Crores in 2006-07.
- Export revenues increased by 82% from Rs 35.06 crores in 2005-06 to Rs 63.56 crores in the last fiscal.
- Profit before Interest, Depreciation & Taxation increased by 38.85% from Rs. 23.74 Crores during 2005-06 to Rs 32.97 Crores in 2006-07.
- Profit after tax (PAT) increased by 9% - from Rs. 11.23 Crores in 2005-06 to Rs.12.21 Crores in 2006-07.

Let me now share with you the performance of your Company during the first quarter of this year.

Your company posted an impressive growth of 278% in Net Profit at Rs.377 Lacs for the first quarter of 2007-08, as compared to Rs.100 Lacs recorded in corresponding quarter of the previous year.

The net turnover of the Company increased by 69% from Rs.2684 Lacs in the first quarter of previous year to Rs.4545 Lacs in the current year.

The Company's exports during the first quarter ended 30th June, 2007, has also gone up by 55% as compared to the corresponding period of the last year. The Company has comfortable Order position as on 30th June 2007.

Earning per share for the current quarter is Rs.2.69 as compared to Rs. 0.72 in the corresponding quarter of 2006-07.

INDUSTRY SCENARIO

Now, I shall apprise you about the scenario of Steel and Roll Industry.

The Indian Industry grew by 11.3% during the fiscal year ended 31st March, 2007 compared to 8.2% in the previous year. Buoyed by a surge in demand, the Indian Steel Industry continued its good performance during the year though on a cumulative basis, however, the production of steel grew by 10.9 per cent during 2006-07, a marginal drop from the 11.2 per cent in the previous year.

The Indian steel Industry is poised to take a big leap forward in the coming years. In the next ten years the steel production capacity is slated to increase to anywhere between 100 to 150 mmt. This will automatically increase the demand for rolls to meet their₂

requirements and your company will be hugely benefited in the process.

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. The biggest threat to the industry remains from the cyclic nature of the sector, which could put immense pressure on steel prices if steel consumption shows signs of faltering or supply exceeds the demand considerably.

Another possible threat to the domestic steel sector continues to be from dumping by international companies. With wide spread capacity expansions and the protection to domestic steel companies being progressively reduced with consistent reduction in custom duties, international steel companies might look at markets to dump their products.

It is however expected that with growing industrialization & infrastructure development in the country, the demand for steel will continue to rise in the next few decades and hence the steel industry growth story will hold good.

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.

OUTLOOK

Your Company envisions being a leading global player in the field of Roll industry. Rolls being integral to steel production, the demand is directly linked to the growth of the steel industry. The growth momentum should be possible to be maintained through periodic phases of consolidation. With the development of new grades of rolls & penetration of overseas market coupled with increasing capacity of steel industry world wide both growth & profitability should be maintained in future.

In view of upcoming addition of capacity in the global steel industry, the Company foresees bright future for its products and has proactively already undertaken Modernisation/Expansion project to enhance the production capacities and to produce value added superior grade rolls like HSS & Semi-HSS grades and enhanced carbide rolls. The implementation of the project is in advanced stage within schedule. 3

The in-house Research & Development centre at GPI, recognized by Department of Science and Industrial Research, Govt. of India, has been constantly involved in the development of value added rolls to suit the future needs of the steel industry worldwide.

I am confident that over a period of time our performance will show significant quantitative and qualitative improvement.

HUMAN RESOURCE

I must emphasise that the greatest strength of GPI has been its people and their spirit in overcoming challenges. With a view to enhance the operational efficiency of the employees at all levels, management initiative programmes such as Six Sigma, Total Productive Maintenance (TPM), Activity Based Costing, Just – In – Time (JIT), Performance Management System (PMS) have been integrated with the Human Resource Development policies of the Company.

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.

CORPORATE GOVERNANCE

Your Company's Corporate Governance Philosophy is based on imbibing best practices in the area with emphasis on ensuring transparency and accountability. Risk identification and mitigation exercises are constantly reviewed and implemented.

During the current fiscal year, your Company has made a major turnaround in stock market. The shares of your Company are being actively traded on the Bombay Stock Exchange. Share price of the Company continues to witness upsurge. The market capitalisation has crossed Rs 100 Crores during the last couple of weeks.

ACKNOWLEDGEMENT

I would like to sincerely thank all our valued customers, both domestic and international, for their support at all times. Their active involvement has been a source of great encouragement and motivation. I am sure that your company will continue to have their support.

I would also like to sincerely thank our valued suppliers, for their support at all times. I am sure that your company will continue to have their support.

I take this opportunity to express my sincere thanks to the Government, the Financial Institutions and Banks for their encouragement and support to our company.

I sincerely appreciate the contributions of all our employees, which has resulted in your company's excellent performance. I request them to carry on the good work and help us realize our common objectives and goals. I also thank my colleagues on the Board for the major role they playing in charting a successful course for the company.

Finally, I convey my personal gratitude for the confidence that you have reposed in your company's Board of Directors. I sincerely hope that you will continue to extend your whole-hearted support to us so that we, along with the management team, and all employees will further accelerate the growth and progress of your company.

Thank you!