



Dear Shareowners,

It gives me immense pleasure to write to you at the end of an exciting year – a year that had its share of opportunities and challenges. I am happy as always to share with you performance of your Company in the year that went by and share with you our aspirations for the future.

Economic Outlook and Industry

The year began with sky-high expectations of economic recovery resulting from the decisive political mandate but as the year progressed, it was increasingly evident that the pace of recovery would be much more gradual. Many domestic growth indicators improved during the year helped by the Government's intent to push reforms and promote investments. The lower crude oil and commodity prices also helped reigning in inflation and set the stage for easing of monetary policy.

Financial Year 2014-15 witnessed volatile markets as economies around the world, found themselves at various points in the economic cycle, with monetary easing being the predominant theme across many geographies. According to the International Monetary Fund, the global economy is expected to grow at 3.4% in Financial Year 2015-16.

India is expected to be a major contributor to this growth as it is set to double its economic size by 2019 and see significant improvement in intensity of steel use per capita. China witnessed its slowest growth during 2014 in the last 25 years. The lower growth trend in China has adversely impacted commodity markets, including putting pressure on iron ore and steel prices.

Letter to Shareowners

Financial Year 2014-15 saw India emerge as a bright spark even as advanced and emerging economies grappled with uncertainty and slower growth. Economic growth in India peaked in the second quarter of the fiscal at 8.2% (under new series) but remained moderate in the third and fourth quarter at around 7.5%. Cyclical macro parameters like inflation, current account deficit have improved during the year due to domestic as well as external factors.

Your Company's Performance

In Financial Year 2014-15, your Company delivered a robust performance despite considerable headwinds. The business continued to focus on the delivery of consistent, competitive, profitable and responsible growth. This was another year of exciting innovations, further improvement in execution and sustained focus on operational efficiencies.

In the face of overall subdued market conditions, your Company has delivered remarkable growth and performed ahead of the underlying steel production trend. We were able to do so because of our ability to innovate and to help customers improve process productivity and therefore extract more value for their products.

This year, the Company's total revenue from operations increased by over ₹5,043 Lacs despite slow down in domestic steel production. Like other domestic steel manufacturers we also witnessed pressure on sales volume due to increased imports from China and Russia resulted in sharp cut to steel prices in India over the past six months.

Remarkable growth in sales volume and profitability are the result of management planning and strategy. Major portion of the product of your Company are being sold in the western part of the country and steel demand in the region is expected grow considerably due to development vision of the Government and Infrastructure projects are gaining momentum.

The Company's management will continue to focus on operational and commercial excellence in its operations and strive for further growth.

Finally, I would like to gratefully acknowledge the trust and confidence reposed in us by you.

Yours truly,
C. P. Agrawal
CHAIRMAN