

Chairman's Speech

Good afternoon Ladies and gentleman,

I am pleased to extend to you all, a warm welcome to this 56th Annual General Meeting of your Company.

On Behalf of the Board of Directors, I thank you for your kind presence here today.

Your Company is a premier supplier of quality products to the original equipment manufacturers (OEMs) and the Aftermarket. The Company's leading technology and innovation, manufacturing expertise, as well as marketing and distribution deliver superior products and brands with quality excellence at a competitive cost.

Your Company is focused on its sustainable global profitable growth strategy, creating value and satisfaction for its customers, shareholders and employees.

Industry Trend

The Indian automotive industry has demonstrated sustained growth as a result of increased competitiveness and fewer restrictions. Several Indian automobile manufacturers expanded their domestic and international operations and all the major global automotive giants have chosen India as preferred destination for their growth.

Due to its deep forward and backward linkages with several key segments of the economy, automotive industry has a strong multiplier effect and is capable of being the driver of economic growth.

Company's Operations

Continuous focus on providing the high quality, world class products, flexibility and Agility were identified as the mantras of your Company to win in a competitive environment. Every effort was made to achieve possible savings/cost reduction. This has allowed us to position ourselves for growth in the markets.

During the year under review the total income of your Company was Rs. 9,518.74 million as against Rs. 7,886.61 million for the year ended 31st December 2009.

High level of competence, high productivity and savings in costs are the forte of the Company. The superior technology and product quality of the Company give it a competitive edge in the market place.

We trust the actions of the Company are appropriate and address the business challenges as we see them today; but flexibility in this uncertain global economy is an imperative.

Outlook

The Company is optimistic about the business prospects and about its capabilities to leverage them for the benefit of your Company.

The Indian economy is strongly on track and is expected to grow even higher. As we look to the future, we know that we will be operating in a demanding and challenging environment. The Company is likely to maintain a steady growth oriented performance while maintaining the bottom-line margins on the back of various cost optimization measures.

To remain competitive in the challenging and demanding environment, the benchmark has to be high in anticipation of the stated and unstated need of the customers and markets.

The overall trend is encouraging, but remaining competitive in this competitive environment would be a tough challenge. I, however, believe that the combination of effective manufacturing costs along with quality systems would give an edge to your Company in terms of pricing and quality.

Business Prospects

The prospects of India's Auto Industry are bright. India is emerging as a global manufacturing hub for auto components. The market is ripe with rapidly growing opportunities.

We are expecting a stronger year ahead. The Company will endeavor to rejuvenate in near future as vehicle demand increases. The overall strategy of your Company will be driven by its strengths and competencies.

Acknowledgement

Before I conclude, I wish to place on record the sincere dedication and the hard work of our employees, which has led to this improved performance. The Company's quest for continuous value creation would not have been possible but for the support we have received from all our customers, business associates, shareholders and members of the Board. I am grateful to them for their continued confidence in the management and expect to receive their full support in augmenting our future plans and strategy.

I thank you for your confidence in the Company and look forward to your continued support.

Thank you all for your presence.

K.N. Subramaniam
Chairman

Note: This does not purport to be a report on the proceedings of the Annual General Meeting