

## *Chairman's Letter*

Dear Share Holders,

Company has crossed an important milestone by listing its shares on BSE SME platform on 21<sup>st</sup> September, 2018. We heartily welcome all our new shareholders in to the Company.

FY 2018-19 was another great year for the Company with a revenue growth of 61% from Rs.103.10 Crores to Rs.165.60 Crores. During the year, profit before tax has grown by 77% from Rs 2.91 Crores to Rs 5.15 Crores.

Product Mix & Customer Base:

- a. Present year revenue growth was driven by all major customers like M/S Vestas Wind (62%), M/S ZF Wind Gear Box (74%) and M/S Terex Equipment (78%). These customers demand is forecasted to grow in coming year as well.
- b. Company has successfully got its product approval from M/S Vestas USA and M/S Terex Equipment UK. With this export, revenues are expected to grow from 9% to 15%.
- c. After completion of expansion during 2019-20, we will be able to meet additional demand from M/S Siemens Gamesa parts.
- d. M/S Nordex Acciona & M/S General Electric product development is expected to complete during FY 2019-20.

Industry overview and future prospects:

- a. During the year 2018, global wind installations were flat at 51.3 GW. During 2018-19 India's wind turbine installations have grown from 1,762 MW to 2,579 MW. However, these installations are still lesser than industry target of over 5,000 MW due to various challenges faced by the domestic industry.
- b. Since the SECI auctioned demand is already in market place, domestic installations are expected to improve by overcoming execution challenges in coming years.
- c. Made in India turbines are picking up momentum because of competitive costs and expected to bring additional demand to Indian Wind Turbine Manufacturing. World's leading players like M/S Vestas Wind is building up capacities in India.
- d. Trade war between USA & China is resulting in partial diversion of global casting demand towards India.
- e. With favourable casting demand and additional capacities going to come in to operations, FY 2019-20 revenue is projected to grow over 45%.
- f. Last year profit margins were under pressure due to significant increase in input prices and may not have major relief during coming year as well. During FY 2019-20, profit before tax is projected to grow over 100% supported by decent revenue growth.

I am highly thankful to our Board for their valuable guidance and our management team & all employees for their continued effort towards the vision and bringing excellent growth to organisation. I take this opportunity to thank our banker, Bank of Baroda for their continued support in achieving our goals. I also acknowledge the support extended by Central & State governments and express our sincere thanks to them. I would like to express our appreciation to our partners in our various ventures. I would also like to thank our esteem shareholders for your continued support.

With Warm Regards

Rajendra Vinayak Shirgaokar  
Chairman