

**Address of Welcome by Shri Arvind Jain, Chairman IRMA, at the
52nd Annual General Meeting on 17th August 2013**

Respected Shri P Madhusudan, distinguished invitees, and my colleagues and friends from the refractory industry,

1. It is my proud privilege as Chairman of IRMA, to extend a warm welcome to Shri P Madhusudan, Director (Finance) and incumbent Chairman of Rashtriya Ispat Nigam Ltd. to our 51st Annual General Meeting as the Chief Guest.

A qualified Chartered Accountant, Cost Accountant and Company Secretary, Mr. Madhusudan started his career as Jr Manager (Finance) in Bhilai Steel Plant in 1983. After serving in the plant for 24 years in various capacities he moved to IISCO Steel Plant as General Manager (Finance). From there, he moved to RINL.

I thank you for kindly sparing your valuable time in spite of your numerous preoccupations to attend the IRMA AGM today. On behalf of the members, I congratulate you for ascending to the top most echelon of RINL. Your presence will definitely send a note of encouragement to our member companies.

2. I will take this occasion to make a quick review of the domestic refractory industry's performance during 2012-13. The net sales turnover which was Rs. 4873.54 crores in 2011-12 rose to approximately Rs 5390.25 crores in 2012-13 which means approximately 10.56% growth in sales volume compared to last year's 26.47% growth. The import of refractories which stood at Rs. 2353 crores in 2011-12 increased to around Rs 2467 crores in 2012-13 dominated by silica and high alumina bricks. Needless to say majority of them were on price considerations only. I think the industry needs to take a serious note of flurry of cheaper imports.

The total exports for the year was approximately Rs 1187 crores, a decent increase from Rs. 1056 crores in the previous year. There has been export of High Alumina bricks & shapes, special products and silica bricks.

3. As we speak today, I got reports that the April-July crude steel production data is only 26 million tonnes implying that the year 2013-14 will also go flat. Needless to mention, this is no good news to us. Apart from the routine issues of lack of availability of iron ore, coal etc, the main issue dogging our economy is lack of demand in the market. Despite optimism by the Government, it is getting worse both in the financial markets as also in factory output. While the RBI measures for tightening liquidity do not seem to be yielding the desired results to check the rupee slide, high interest rates and demand compression has made the industrial outlook look bleak. The order books shrank in July the most in four years, suggesting a broad stagnation in the manufacturing sector.

4. IRMA had been periodically raising the issue of difficult payment terms especially by PSU steel makers. An IRMA delegation met the CMD, RINL, Mr A P Chaudhary to discuss the difficulties faced by the refractory industry due to the difficult payment terms. I take the opportunity to humbly request Mr Madhusudan to take us, the refractory makers as equal partners of your progress rather than treating us as mere supplier. It would be no gainsaying to say that some of the credits for trailblazing performance of the steel industry post liberalization can be attributed to the seamless service of the refractory industry. A vibrant refractory industry is the key to steel industry's operations and as IRMA Chairman, I assure you that we will never fall behind during RINL's hour of need.

5. IRMA had also been drawing the attention of the Government to rectify the existing anomalies in the Duty Drawback Rate as well as the need to include refractories in Focussed Product Scheme. It is indeed a matter of concern that while the Government has apparently gone overdrive to promote exports, the potential of refractories to gain valuable foreign exchange is seemingly overlooked. Although IRMA has knocked the doors of Ministry of Steel, apex industry associations and other trade bodies, the results are not yet forthcoming. Maybe we need to rethink on our strategy.

5. Today's competitive global market environment brings steadily increasing pressure to improve return on investment (ROI). In the push for improvement, an organization's biggest investment and its primary assets are its human capital. IRMA has been religiously following this mantra and working towards creating lasting human capital for the industry. Training programmes were held on "Testing & Interpretation of Results" and "Failure Analysis of Refractories" at DISIR, Rajgangpur and Russy Modi Centre for Excellence/Tata Steel respectively in the last financial year. The final hearing on the approval for refractories course at ITI level was held at Rajgangpur in December 2012. The approval is being delayed due to some change in plans of Govt. of India but in the meantime, DISIR has taken up the assignment of building a modern Refractory Engineering Workshop with IRMA's support. I congratulate the IRMA team in ensuring this facility for the benefit of both Refractory and user industries.

6. Moving over to the development of SME sector, not much headway could be made to develop the Common Facilities Centre at Chirkunda due to difficult market conditions in spite of Government support being available. Nevertheless the members of the cluster have started their own testing unit by procuring second hand equipments from the market. The Association is looking forward ways to coalesce their venture.

7. I am happy to inform you that the new office space of IRMA is now fully functional with regular meetings being held. Today we have also launched the members portal myirma.org where apart from members' information there will be host of information on industry data, data on raw material suppliers, equipment suppliers, user industries etc. This portal will also provide online technical support to members on key issues which I believe will be of great help

especially to the SME sector. The members too can post their own views and interact with other members in the discussion forum.

8. You are aware that IREFCON 14 would be organized from 15th – 18th January, 2014 at Hotel Taj Bengal, Kolkata. IREFCON has now become a phenomenon by its own rights and much credit goes to Dr. A.K. Chattopadhyay, Chairman, Organizing Committee and Dr. G. Banerjee, the erstwhile Chairman, Technical Committee. Our new Chairman of the Technical Committee, Dr. N. Sahoo too has done a fine job whose reflection you all will see in the technical presentations. Our investments in new office space and refractory workshop had been possible due to Dr Chattopadhyay's amazing ability to mobilize funds for the industry through successive IREFCONs.

In the end, I would like to thank my friends and colleagues in the refractory industry and particularly the members who have spared their valuable times to share their knowledge and experience in the IRMA General Committee. I thank Mr. J. N. Tiwari, Deputy Chairman, IRMA and Dr. A.K. Chattopadhyay, Chairman, IREFCON14 Organizing Committee for their firm support. I would like to thank Mr. B.N. Ghosh, Technical Advisor, IRMA, Dr. N. Sahoo, Chairman of IREFCON14 Technical Committee and members of IREFCON14 Organizing and Technical Committees for giving their valuable time for the development of the industry. I also thank, Ministry of Steel, Govt. of India, all the major consuming industries like steel, cement, aluminium, copper, glass etc for their patronage and support.

Thank you very much.