

## **KABRA EXTRUSIONTECHNIK LIMITED**

### **TRANSCRIPT OF THE 37<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY HELD ON TUESDAY, SEPTEMBER 15, 2020 AT 11:00 AM THROUGH VIDEO CONFERENCING**

#### **SHREEVALLABH GOPILAL KABRA:**

I am S.V. Kabra speaking. Good morning ladies and gentlemen.

I welcome the members to this 37<sup>th</sup> Annual General Meeting. On behalf of the Board of Directors, I thank each one of you for joining us today. I hope all of you are safe and in good health. The Company has taken all the feasible efforts under the current circumstances, to enable the members to participate through Video Conference and the vote at the AGM. Before we start the main proceedings of the meeting, I request my colleagues over the video conference to introduce themselves.

#### **ANAND KABRA:**

Hi everybody, Good Morning. This is Anand Kabra, Managing Director; joining from my office in Mumbai.

#### **EKTA KABRA:**

Hi, this is Ekta Kabra; Director Strategy and I am joining from my office in Mumbai.

#### **SATYANARAYAN G. KABRA:**

I am Satyanarayana Gopilal Kabra; Vice Chairman; I am speaking from my residence at Juhu.

#### **YAGNESH B. DESAI:**

Independent Director and Chairman of the Audit Committee; joining from my home in Andheri (West), Mumbai.

#### **MAHAVEER PRASAD TAPARIA:**

Good Morning to everybody! I am M. P. Taparia, joining from my office at Andheri.

#### **NIHALCHAND C. CHAUHAN:**

I am N.C. Chauhan; Director; joining from my home in Bombay. Good Morning everyone!

#### **BAJRANG LAL BAGRA:**

I am Bajrang Bagra, Independent Director and also Chairman of the Stakeholders Relationship Committee; joining the meeting from my office in New Delhi. Thank you.

**MODERATOR:**

Mr. Boman Moradian?

*\*\*No Answer\*\**

**SHREEVALLABH GOPILAL KABRA:**

Mr. Moradian has asked for leave of absence because he had an Eye Operation yesterday, so he will not be able to attend.

**MODERATOR:**

Mr. AKASH KHANDELWAL?

*\*\*No Answer\*\**

*\*\* Mr. Khandelwal has joined but he is facing some bandwidth issue\*\**

**DAULAT JAIN:**

Hi, this is Daulat Jain, Chief Financial Officer of the Company, joining this meeting from office in Mumbai.

**ARYA CHACHAD:**

Good Morning everyone, this is Arya Chachad, Company Secretary; I am joining this meeting from office in Mumbai.

**SHREEVALLABH GOPILAL KABRA:**

Thank you very much everyone.

As I said before, Mr. Boman Moradian, our Independent Director, having undergone cataract surgery yesterday, is not able to attend the meeting today. Apart from them, the Statutory Auditors, M/s. A. G. Ogale and Company, and the Secretarial Auditors, Bhandari and Associates, have joined this meeting from their respective locations. We have the requisite quorum present through the video conference, to conduct the proceedings of this meeting as per the circulars issued by the MCA and Section 103 of the Companies Act, 2013. With the quorum being present, I call this meeting to order. Now I request Arya to provide general instructions to the members regarding participation in this meeting.

**ARYA CHACHAD:**

Good morning everyone. This 37<sup>th</sup> AGM is being held via Video Conference, in accordance with provisions of the Companies Act, 2013 and the circulars issued with the Ministry of

Corporate Affairs and the Securities and Exchange Board of India (i.e. SEBI), in view of the outbreak of COVID pandemic. The facility for joining this meeting through Video Conference or other audio-visual means is made available for thousand members on a 'First Come First Serve Basis', except for the large Shareholders, Promoters, Institutional Investors, Directors, KMPs, the Chairman of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee as well as the Auditors, who are allowed to attend this meeting without such restriction.

Members are requested to refer to the instructions provided in the Notice, for a seamless participation through Video Conference. In case the members face any difficulty, they may reach out to the NSDL helpline number at: 1800-222-990, also given in the notice of AGM.

As this meeting is held through video conference, the facility for appointment of proxies by the members is not applicable, and hence the proxy register is not available for inspection. The Company has received request from few members to register them as speakers in this meeting. Accordingly the Moderator will facilitate this session once the Chairman opens the floor for the members; the same will be dealt towards the end of this session.

The Register of Directors and Key Managerial Personnel, and their shareholding; the Register of Contracts or Arrangements, in which Directors are interested, and other related documents referred in the notice have been made available for electronic inspection by the members during the meeting. The members seeking to inspect the said documents can view the same on the company's website- [www.kolsite.com](http://www.kolsite.com).

Thank You. I now request the Chairman to address the shareholders and continue the proceedings of the meeting.

**SHREEVALLABH G. KABRA:**

Thank you Arya.

Dear Shareholders, welcome to this 37<sup>th</sup> AGM of your Company. It is pleasure to connect with all of you again, only this time we meet virtually. On behalf of the Board of Directors, I thank you for taking time to join us today.

The Annual Report containing the audited statements of accounts for the financial year 2019-20, along with Reports of the Directors and Notice of AGM, have been emailed to you.

The Board of Directors have recommended that an Interim Dividend of Rs.1.50 per share for the financial year 2019-20, paid in March 2020, be declared as final dividend. The total dividend payout, including the Corporate Dividend Tax, amounts to Rs.5.77 Crore. The Company achieved Net Revenues for the year 2019-20 at Rs. 223.13 crores, including Rs.2.94

crores by way of other income, as against Rs. 245.14 crores, including Rs. 19.93 crores by way of other income, during the previous year. During the Financial Year 2019-20, the Company has participated in several national and international exhibitions, like Indiaplast - Delhi, Plast Expo – Morocco, The K Show – Germany, Indonesia Plastic & Rubber, Plast Eurasia Istanbul – Turkey, Saudi plastics & petrochemicals – Riyadh and IPF Bangladesh, to show-case its product portfolio and technology to strengthen its geographical base as well as clientele we have been participating in these exhibitions regularly. The Company has also conducted open house and demonstration of high-speed PVC Pipe Extrusion with Inline Pipe Wall Thickness Measurement and Weight Control at Kachigam Factory and live demonstrations of Compact Processor for manufacturing compounds, polymer alloys and masterbatches, then 5 Layer Blown Film Lines for POD applications, and also Double Wall Corrugated Pipe Extrusion Lines at Dunetha Factory.

I am happy to share that the year also saw a set-up of the state-of-the-art manufacturing facility with in-house R&D Centre to design, develop and produce Lithium-ion Battery Packs at Chakan, Pune. We have commenced our operations & commercial productions in EV segment in record time and registered its first billing in March 2020.

The outbreak of COVID-19 pandemic is an unprecedented shock, not only to the Indian economy but to the entire globe. The economy was already in a paralyzed state before COVID-19 struck. The associated disruptions for demand and supply chains, and lockdown in March this year affected the performance of the last quarter, and to an extent cast an impact on the results for the current year. However, we believe that the disruption caused by this virus spread is expected to get back to normalcy in due course.

The response from the customers, in the first quarter of the current financial year, has been encouraging and good recovery is anticipated in the industry in the times to come. Company's financial position remains strong even in these trying times, reflected by our healthy order book and enquiries, and investments cash and cash equivalents as on day.

At the same time some of the customers are in wait and watch position, and going slow on their capex plan. Government focus on its programs like 'Jal Jeevan Mission' aiming to ensure access of pipe water for every household in India will drive the demand in Pipe sector in coming years. The Government has also very recently announced Rs.30, 000/- Crore to be spent in current year, on priority basis, during prevailing COVID-19 pandemic situation.

As we know the Government has focused pointedly on development of Infrastructure, Agriculture, and Drip Irrigation, or Drinking Water Management & Supply under 'Har Ghar Nal Yojna' as well as cooking gas supply to every family. This will boost the requirement of Plastic Pipes manufacturing systems in large volume, and benefit our Company.

This pandemic also puts focus on the safety and hygiene of all citizens. The current situation has shown that since the demand from many end-users in the industry is growing, mainly in the FMCG, Healthcare and pharmaceuticals segments; rising e-commerce sales, the use of plastic packaging will also see a significant rise. As a matter of fact we are already seeing the significant rise in consumption of Plastic Films; this is being reflected in Films sector, where demand for packaging material has increased, resulting into good business prospects for Film Extrusion Lines, as well. Also, the anti-China mood across the world is gaining momentum.

On the business side, though the demand in the automobile sector is disrupted for the time being, we are seeing increased demand mainly for two-wheelers for personal mobility. Due to awareness for safety and social distancing norms, people are ready to use Electric Two-Wheelers as their conveyance cost per kilometer is a big saving. The business scenario remains strong in the EV Segment, and it will also be drawing increased demand from Door Delivery concepts and online orders.

We are in contact with most of the prominent players in Electric 2 and 3 wheeler space. Post-relaxations in lockdown, we are in receipt of proto-orders from a few potential customers, and sample packs have already been dispatched to some of them, and these are under testing & approval phase at our customer end. We have received confirmed orders from some of these customers and there is a further potential to clock monthly volumes of around 6000-8000 battery packs in coming times. There is also a move of starter batteries in automobile from Lead-acid to Lithium ion, at an increasing speed, which brings a new whole segment for us.

Apart from the EV segment, we are also venturing into the other applications of battery packs. Recently, we have supplied some sample packs to one of the prominent Indian company, to use in Ventilators. We are also in advanced stage with some customers for Energy Storage applications, which the Government has recognized as one of the champion sectors, leading way for 'Atma Nirbhar Bharat'.

It is still very early and difficult to predict Annual Revenue this year. Given the current fluid situation, the Company has implemented stringent cost control measures, to the extent possible and looking at only critical capital expenses. The Company will continue its direction to conserve the financial resources and further strengthen our funds to address any emerging situation. By controlling & reduction in various fixed and variable costs, we expect to maintain our profitability and EBITDA margin level. Our ability to response suitably to the challenges through these and many more measures, will help us successful sail through the global crisis.

In my concluding remarks, on behalf of my colleagues on Board, I would like to express our sincere thanks to all our business associates and technical collaborators for their dedicated

contribution towards the Company's performance and growth over the years. We truly value the persistent patronage of our esteemed customers, vendors and other stakeholders.

I would also like to take this opportunity to thank my colleagues on the Board for their valuable counsel and support. I am very glad in specifically expressing my appreciation and thanks to all our employees at all levels for their understanding, dedication and commitment to face the never-thought-before challenges that we are facing today. Their exemplary team-spirit, coordinated efforts will go a long way to come out of this current situation successfully.

Finally I thank you, our valued shareholders, for your continuing confidence.

Thank You. I request now Mr. Daulat, our CFO, to brief about the various items of the annual financial statements for the year ended March 31<sup>st</sup>, 2020.

**DAULAT JAIN:**

Thank you Mr. Chairman. Good Morning to everyone; I hope all are well and healthy. I would like to draw your attention to the notes on the accounts.

- Coming to 'Page 81, Note #2(A) & 2(B) regarding the Fixed Assets and Capital Work In-Progress':- There is increase in property, plant and equipments & capital work-in-progress, mainly on account towards the new CAPEX added in our Pune facility, for the battery plant.
- Coming to 'Page 82, Note #3 regarding Non-Current Investment':- Reduction value of investment is due to fair market valuation of the PBI, as on 31<sup>st</sup> March, 2020.
- 'Page 83, Note #6 regarding Other Non-Current Assets':- Increase in other non-current assets is due to capital advances, mainly towards the CAPEX for the battery division.
- 'Page 83 and 84, regarding Note #7 and #9, Inventory & Trade Receivable':- Inventory has increased and Trade Receivable has decreased, mainly due to the quarter four of year was impacted due to the COVID-19 outbreak and subsequent lockdown.
- 'Page 86, Note #13, Other Current Assets':- Increase in other current assets is due to higher GST Credit & Vendor Advances.
- 'Page 87, Note#17 regarding Borrowings':- Non-current borrowings has increased by Rs.15 crores towards the Term-Loan availed during the year, for the Pune facility.
- 'Page 88, Note #22 regarding the Revenue for Operations':- As already explained by our Chairman Sir, the fourth quarter performance got badly affected due to COVID outbreak; hence it impacted the quarter four revenue.
- 'Page 88, Note #23 regarding Other Income':- Previous year, our other income was higher mainly towards disinvestment of share holding BWPTI, and one time claim recovery of an old insurance claim.

- 'Page 89, Note # 26 on Employee Benefit Expenses':- Employee Benefit Expenses reduced mainly on account of lower provisions and leave encashment, restrictions on the new hiring and reduced cost of replacement.

Thank You.

**SHREEVALLABH G. KABRA:**

Thank you Daulat.

As the notice is already circulated to all the members, I take the notice and the meeting as read. Before we proceed, it may please be noted that as required under the Companies Act 2013, the Company has provided you the facility to cast your vote electronically on all resolutions set forth in the notice.

The Board of Directors has appointed Mr. S. N. Bhandari, or failing him, Ms. Manisha Maheshwari from Bhandari and Associates, Practicing Company Secretaries as a Scrutinizer, to supervise the e-Voting. Members who have not cast their votes electronically, and who are participating in this meeting will have an opportunity to cast their votes through e-Voting system provided by NSDL. Members can click on the vote-tab of the previous screen, where the Company's EVEN is mentioned. Members may please note that there will be no voting by show of hands.

It may please be noted that the Statutory Auditors in their report on Standalone Financial Statements and Consolidated Financial Statements, appearing on the page 60 & 103 respectively of the Annual Report, have stated that the Managerial Remuneration paid in excess of the limits specified in Section 197 of the Companies Act, 2013.

The Secretarial Auditors in the report, as presented on Page # 24 of the Annual Report have observed regarding delayed reconstitution of Stakeholders Relationship Committee, with three Directors as its members, as required under SEBI listing regulations; and also delayed reporting of a contract rate which occurred inadvertently while executing inter-se transfer of shares. The said Auditors also reported related to excess managerial remuneration, as explained herein above. In this regard, the Board in its report has furnished due explanations in respect thereof, and seeking your approval for waiver of recovery of excess amount paid towards Managerial remuneration.

There are no other qualifications, observations or any adverse comments on Financial Statements and matters, which have any material bearing on the functioning of the Company. With this I take the Auditor's report as read.

We now take up the resolutions as set forth in the Notice and will open the floor for any questions by the members after all the resolutions are tabled. As the meeting is convened through Video Conferencing today, resolutions have been put to vote through remote e-voting; and the requirement to propose and second is not applicable.

- 'Item #1 of the notice, relating to adoption of financial statements :- The financial statements of the company, including the consolidated financial statements for the financial year 2020, including the reports of Board of Directors and Auditors have already been provided to the members.
- 'Item #2 of the notice, relating to the declaration of the Dividend :- You will recall that an interim dividend of Rs.1.50 per equity share was already paid for the financial year ending 31<sup>st</sup> March, 2020; and the Board has recommended to consider the interim dividend as the final dividend. As I am deemed to be interested in the resolution at Item #3, related to my re-appointment, with your consent I request Mr. Y.B. Desai to chair the meeting. Mr. Y. B. Desai please.

**Y. B. DESAI:**

- Item #3 of the notice, relating to appointment of a Director in place of Mr. Shreevallabh G. Kabra, who retires by rotation and being eligible seeks reappointment.

I now request Mr. S. V. Kabra to chair the meeting to proceed with the remaining business of this meeting. Thank You.

**SHREEVALLABH G. KABRA:**

Thank you YD.

- Item #4 of the notice relating to ratification of the remuneration, payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2021.
- Item #5 of the notice, relating to reappointment of Mr. B. L. Bagra as an Independent Director for a second term of five years upon completion of his current tenure.

As I may be deemed to be interested in the resolutions at item number 6 to 11, related to Managerial Remunerations; with your consent I again request Shri Y. B. Desai to chair the meeting.

**Y.B. DESAI:**

- Item #6 of the Notice relating to Waiver of recovery of excess managerial remuneration paid to Mr. S. V. Kabra, Chairman & Managing Director for the financial year ended March 31, 2020,



- Item #7 of the Notice relating to Waiver of recovery of excess managerial remuneration paid to Mr. A. S. Kabra, Managing Director for the financial year ended March 31, 2020
- Item #8 of the Notice relating to Waiver of recovery of excess managerial remuneration paid to Mrs. E. A. Kabra, Director-Strategy for the financial year ended March 31, 2020
- Item #9 of the Notice relating to renewal of approval for payment of remuneration to Mr. S. V. Kabra, Chairman & Managing Director in accordance with Part II - Section II - Schedule V of the Companies Act, 2013 in respect of the Financial Year ended March 31, 2021.
- Item #10 of the Notice relating to renewal of approval for payment of remuneration to Mr. A. S. Kabra, Managing Director in accordance with Part II - Section II - Schedule V of the Companies Act, 2013 in respect of the Financial Year ended March 31, 2021.
- Item #11 of the Notice relating to renewal of approval for payment of remuneration to Mrs. E. A. Kabra, Director - Strategy in accordance with Part II - Section II - Schedule V of the Companies Act, 2013 in respect of the Financial Year ended March 31, 2021.

The text of the resolutions along with the explanatory statement is provided in the Notice circulated to the members and therefore, the same be taken as read.

I now request Mr. S. V. Kabra to chair the meeting to proceed with the remaining business of this meeting.

**SHREEVALLABH G. KABRA:**

Thank you Shri Desaiji. We now open the floor for questions by members. Members are requesting to keep their questions brief and specific. The moderator will facilitate the questions on the video feature, kindly turn on your video when you are projected on the broadcast screen, kindly unmute yourself and proceed to ask the questions. Please mention your name, folio no. and the location from where you are joining. Once you have asked your questions, you can log off and continue to watch the proceedings. To avoid repetition, the answers of all the questions will be provided towards the end of the session. Members can note that the Company reserves the right to limit the number of members asking questions, depending upon its availability of time. I now invite Mr. Rangwala who has registered himself as a speaker to express his views. Over to you Mr. Rangwala.

**YUSUF RANGWALA:**

Good morning Sir, I am very happy with our company performance and your speech was really good. You mentioned everything therefore I don't think I need ask anything specific. Your dynamic and hardworking Managing Director. Mr. Sanghavi who sadly left us who we

will all remember, in his absence we have Arya madam instead who is helping in guiding this company. Do we supply to Reliance? Is Reliance our customer? Any effect of China? You have given a dividend on Rs.1.50. I am really happy with the dividend and your staff and public is very happy. This is the first time we haven't met face to face. It's a humble request to you, I would like you to have a small get together after Diwali which is always practice. We just want to meet you as we always do. I just want to say that, under Arya Madam's guidance and with Mr. Sanghavi we don't have any problem in our company. Mr. Sanghavi was with this company for 15 years or more.

**SHREEVALLABH G. KABRA:**

Yes, more than 15

**YUSUF RANGWALA:**

I am also missing Silvassa which Mr. Sanghavi had arranged for. We would like something like that after Diwali. We really miss Mr. Sanghavi a lot. Thank you very much. Please thank Arya Madam for giving us this chance. Take care and be safe. Thank you very much Jai Hind, Jai Maharashtra.

**SURESH NAMBIAR (MODERATOR):**

Thank you Yusufji. Lekha Madam, you have been unmuted. You may ask your question.

**LEKHA SHAH:**

Can you hear me Sir. Hello.

**SURESH NAMBIAR (MODERATOR):**

Yes we can hear you

**LEKHA SHAH:**

Respect chairman sir, board of directors and my fellow members, very good morning to all of you. Myself Lekha Shah. Kabraji how are you?

**SHREEVALLABH G. KABRA:**

All good. Thank you.

**LEKHA SHAH:**

Sir, I am very much thankful for Aryaji and Sanghavi ji for very good services and also sending me the annual report by email well in time which is full of knowledge, facts and figures in place. Due to pandemic Covid 19 we all are facing crisis and have to stay home. Sir, this is the

first AGM we are joining the video conference for giving speech and today also my lovely company secretary Arya ma'am and Sanghavi sir also, through phone call I was given proper directions for video call and attendance. I am very- very grateful to company secretary Arya ma'am and Sanghavi sir. Kabra ji, I would like to ask a few questions - How is the company preparing itself for the post Covid world? My second question is: what are the learnings from the lockdown and how is the company implementing those learnings? My third question is how are we engaging all our employees? 4.what are the roadmap for the next two years? I wish our company all the luck for a bright future and I support all the resolutions Thank you Kabra ji.

**SHREEVALLABH G. KABRA:**

Thank you.

**SURESH NAMBIAR (MODERATOR):**

Thank you Lekha Madam. We have the next shareholder, Ms. Prakashini Shenoy. Ms. Shenoy you have been unmuted. You can ask your questions.

**PRAKASHANI SHENOY:**

Yes Sir. I am Mrs. Prakashiniji Shenoy speaking from Bombay. Respected honorable Chairman, other dignitaries on the Board and my fellow shareholders, good afternoon to you all. Sir, can you hear me?

**SHREEVALLABH G. KABRA:**

Yes, Good afternoon. Please continue.

**PRAKASHANI SHENOY:**

I first of all I welcome our new Company Secretary Arya madam. I received a soft copy of the report well in time through email, it is colorful, transparent, informative and contains all the information as per the corporate governance. I thank the Company Secretary, Arya ji and Sanghavi ji and this team for the same. For me to get the link of this meeting, they also called me a fortnight back and requested me and gave me the link. I got the link for this meeting once again, thank you Company Secretary and the team without which I wouldn't have the opportunity to speak today. This is the first time that a Company is conducting a video conference meeting due to Covid 19. I am thankful to the Board for recommending 30% divided, that is 1.50 per share as final dividend for the financial year 19-20. I am also extremely glad the Company has done excellent work in CSR activities. We are living in days where everything is unpredictable including our existence, in such circumstances running a company is not an easy thing, I appreciate. Sir, I have a few questions:-

- What is the CAPEX program?
- Who are our competitors?
- What is the effect of Covid 19 on our company and what are its challenges?
- Does we come under the purview of GST? If yes, what is the rate?

I wish the Company good luck for the future and pray God that the profit of the Company shall reach a new height. Sir, I support all the resolutions put forth at this meeting. Thank you sir.

**SHREEVALLABH G. KABRA:**

Thank you

**SURESH NAMBIAR (MODERATOR):**

Thank you very much. Now we have the next speaker, Mr. Anil Parekh. Parekhji you can speak now.

**ANIL PARIKH:**

Hello?

**SHREEVALLABH G. KABRA:**

Yes, Mr. Parekh

**ANIL PARIKH:**

Hello. Am I audible? Am I visible?

**SURESH NAMBIAR (MODERATOR):**

Yes, very much, please continue Sir.

**ANIL PARIKH:**

Hello Kabra ji,

**SHREEVALLABH G. KABRA:**

Hello

**ANIL PARIKH:**

Sir, once again after a gap of one year we are seeing your smiling face.

**SHREEVALLABH G. KABRA:**

Thank you

**ANIL PARIKH:**

and you are always kind enough to meet us. This time we'll miss the stupendous food at Karl Residency and this time we'll miss to meet you personally. Hope next year would be better time to meet personally and your stupendous food. Thank you sir. I would like to thank our secretarial team which is one of the best secretarial teams we have in our company, very much investor friendly, particularly Mr. Sanghavi. Has he retired? Cant we keep him as a consultant to the Company?

**SHREEVALLABH G. KABRA:**

No no, he is there.

**ANIL PARIKH:**

Sir, if he leaves the company we will be on a hunger strike outside your office because we need Sanghavi to guide Arya properly and Arya also is nice to speak to us. I am thankful to all these people, Sanghavi Ji, Vidya ji, Arya ji and Himanshu also. Sir, as usual you are performing very well, of course this year we are not able to perform to our capacity due to lockdown and adverse conditions and that itself has put the stress on our top line and bottom line. I don't want to go in details of financials and all that, but I would like to congratulate you for starting a new factory at Pune for advanced lithium ion battery packs. It is having a huge potential and I am sure with your capabilities and determination, we will achieve greater heights and may be will be no.1 in producing lithium-ion battery. Also I am thankful for 30% dividend, thank you all for giving the opportunity and hope we will meet next year personally. Thank you sir.

**SURESH NAMBIAR (MODERATOR):**

Thank you Mr. Parekh. Now we have Mr. Dhyaneshwar Bhagwat. Mr. Bhagwat ji, you can ask your question.

**DHYANESHWAR BHAGWAT:**

Very good morning Sir, can you hear me Sir?

**SURESH NAMBIAR (MODERATOR):**

Yes sir, you are very much audible.

**DHYANESHWAR BHAGWAT:**

Very good morning first of you all. Firstly I would like to say thanks to Arya madam who has sent me the soft copy well in time which is full of knowledge, which is easy to understand, she has given full information while drafting the annual report copy for 2019-20, which is very easy. Thanks to her as well as her team also. Second thing is about the dividend, I am very grateful to the Company that the Company is giving something to the shareholders, it means that they want to stay on the dividend list so I want to thank Kabra ji to give something to the shareholders. Second thing is resolutions, our company is doing very well so I support all the resolutions. About the financials, I don't want to ask a lot of questions because a lot of questions have been asked by my previous speakers so I don't want to repeat those questions again and again. Once again thank you, I am grateful to all the Company and Board Members for patience. Thank you very much Sir.

**SURESH NAMBIAR (MODERATOR):**

Thank you Mr. Bhagwat, Thank you very much. We have our next shareholder, Mr. Hariram Chaudhary, Mr. Chaudhari you can ask your question.

**HARIRAM CHAUDHARY:**

Hello. Hello Am I unmuted? I am starting my video. Am I visible Mr. Chairman? Can you hear my voice?

**SHREEVALLABH G. KABRA:**

Yes, we can hear you.

**HARIRAM CHAUDHARY:**

Chairman, Shri S V Kabra ji and Vice Chairman Shri S N Kabra ji, and Managing Director, Shri Anand Kabra ji, my name is Hariram Chaudhary. Sir, one director is not present due to some medical emergency but for one director no reason is given for absence, on what ground please explain. Now whether the proceedings are streamed on the website, let us know which website. And Chairman Sir, I suggest that you organize a get together, Diwali get together in the last week of October, 14<sup>th</sup> November is Diwali and therefore last week of October get together maybe organized. There were many encouraging points in the Chairman's speech, the first quarter result is increasing, financial position is sound, order position is sound and there is a good recovery. Jal Jivan mission will be helpful for increasing the demand and the most encouraging was we are manufacturing parts for ventilators, that is very good and I support the resolutions including the re-appointment of Bagra ji and with this I convey my best wishes. Thank you Kabraji. My name is Hariram Chaudhary.

**SHREEVALLABH G. KABRA:**

Thank you. Thank you Hariram ji.

**SURESH NAMBIAR (MODERATOR):**

Thank you Mr. Chaudhary. Now we have the next speaker, that is Mr. Bharat Shah. Mr. Bharat Shah you may speak now. Hello Mr. Bharat Shah you are on line now. You can speak now.

**BHARAT SHAH:**

Hello

**SHREEVALLABH G. KABRA:**

Hello Bharatbhai. How are you?

**BHARAT SHAH:**

Hello sir, how are you?

**SHREEVALLABH G. KABRA:**

*Bhikul thik hei.* Thank you.

**BHARAT SHAH:**

Sir, every time we meet face to face which is really good but this is a different experience and we're doing something like this for the first time. When we meet in the hall, the feeling is really different. You all have been taking care of the company since so long and have taken care of each and every shareholder so I would like to thank you for that. The dividend is really good and time to time you have also given us bonus so I would like to thank board of directors and Kabra ji. Your CSR activities are also really good, it is really appreciated. I would also like to thank Arya ji and Mr. Sanghavi, they always respect the shareholders so much, guide us and always solve our queries. I would like to thank them and their entire team. I would really like it if later this year you keep a get together for us and you have all my support. Thank you very much.

**SMITA SHAH:**

Dear respected chairman, vice chairman, board of directors; my name is Smita Shah, Om Shanti Shreevallabhji. I would like to warmly welcome our new CEO on board Mr. Akash Khandelwal. At this time we are missing meeting you personally but I pray that next year we will definitely meet face to face. We have a spiritual connect and we will definitely be able to

meet next year. I would like to acknowledge y'all for company's excellent work and the new factory that you've opened on Pune. This is the result of your hard work and your determination to take the company forward, you have taken good care of the shareholders as well, you gave us bonus shares, earlier also you have given us a lot so I would like appreciate you for that.

You have always been with us so I truly wish the best for the company's growth and hope the factory in Pune grows immensely and the company 4 times better than what it is now. In future you will be able to give us not just a bonus but also a better dividend, this is what I pray to God for. I only have one question - When did you inaugurate the factory in Pune? Also I would like to appreciate and acknowledge company secretary Ms. Arya for guiding us to join this meeting and Mr. Sanghavi, Emeritus Company Secretary as well. The entire team is really good and hard working, they've always been in contact with us and supported us and given the best services to the shareholders. I would like to thank them from the bottom of my heart. Wishing you all the best for all the coming festivals. Om Shanti. Thank you.

**S.V.KABRA:**

Om Shanti.

**SURESH NAMBIAR (MODERATOR):**

Thank you Smita Madam. With this, we conclude the question session from all the shareholders. Now, I hand over back to the Chairman.

**S.V.KABRA:**

So thank you once again to all our shareholders who have expressed their views and wanted some clarification. There is not much of clarification that has been asked. One question was about Reliance, whether they are our customers – Reliance, they have one section where they manufacture pipes for optic fiber cables and they bought some time back lot many machines from us. At the same time if they have any enquiry for any extrusion machines we get it. Basically they are the raw material people. And secondly, about the effect of Covid in times to come I can only say I am as hopeful as you are because someone has mentioned that he would like to personally meet us in October, which means all of this is going to disappear after September. I am very glad and I hope it happens so. As regards to our standard machinery business, I am quite hopeful that the things would improve further which they are improving and as I mentioned in my speech also, the situation is very uncertain but we hope that everything will be ok and we hope we'll come out of the situation very successfully.



Once again the appreciation expressed by everyone and thanks to everyone and if more details you want to know, I request Anand Kabra to say something about our Pune factory. Yes, Anand.

**ANAND KABRA:**

Good morning everybody and welcome once again to the AGM. Thank you all of you for the wonderful and heartening kind words all of you are using, it shows the confidence in the work we are doing and we definitely we are working to keep improving the performance for the company, its shareholders and its stakeholders. There were a few questions, though not too many, any effect of China - on our supply chain we didn't see much effect of China except a little bit on our battery business, but rather it's positive for us because definitely there is a lot of anti-China sentiment not just in India but internationally as well and we definitely feel that this should be to our advantage going forward and so definitely we think this should improve for us.

There was a question on how we are adjusting on post Covid world - I think like everybody, company, all of you and we personally also, there is a lot of various measures taken by the company. We realized this when we had 2 months of lockdown in April and May and we started partial operations in May, there were a lot of resets and readjustments we had to do. Nowadays meetings with customers, at least 50% of them are happening virtually, unless there is a need, a person is not travelling to customers to meet so that is a very big change. So the whole travel cost is eliminated so there will be a huge saving on that. So this is just one of the costs we have been able to readjust.

We have been able to give service and machine commissioning and installation to our customers virtually. This is something we never imagined, but even during the lockdown period we were able to start many of the machines which were installed at customer's place without our service personnel being there. So there was a complete online support and in fact most of our support now also for our international customers has moved virtual as you all know international flights for our business travel still haven't started for most of our customers in most of the countries we are exporting. So this was a big change we've seen in our business model. On the positive side in the post Covid world as our chairman Mr. S V Kabra has already said on the packaging business we are seeing a huge demand uptake because everybody being at home and consumption of flexible packaging has drastically gone up and we have also seen and experienced this in our order book this year. That's been a big benefit to us.

On the automobile side there are multiple changes people prefer - personal mobility, people are thinking green, online deliveries are happening, Amazon, Flipkart and all the others are doing extremely well. Everybody is shifting to electric mobility especially for commercial

applications. So we see that as a very big benefit to investment in this business. Additionally as SV said that there are a lot of benefits that the Government has announced for the battery business.

The road map for the next 2 years - first three months we did have a severe drop in our order book position year on year, but July and August have been extremely encouraging. So to give you an idea, we have moved from 60% deficit in quarter in terms of booking to now about 23% deficit to 5 month to 5 month. So the demand looks like It's coming back. Once business activities have normalized and once everybody is going back to normal work and spending we expect this to normalize so we certainly hope the current year in terms of revenue will be much better than last year. This is what we are expecting, we have a very healthy order book position.

Now we have already 70cr dispatched till August, 125cr pending. So 195 is already visible till December, plus we have bookings for a few months which will help us in our annual revenue. So from that angle, this is our road map. While this business continues, we have also invested in a lot of new products. We also see our battery business ramping up, already this month we will see a good commercial production coming and we will ramp this up as we go along every month on month as we start getting approvals or protos and commercial production from our customer. So we are very upbeat on the battery business. Even for this year we expect maybe between 8-10% of our revenue bump up, could be everything going well and hopefully no more lockdown, we see that another 7-8% upto 10% bump up can happen with the battery business and which we see will be further scalable into next year.

Now on the capex plan, as you know last year we have already completed our major capex of Rs. 55 crore so going to battery business, technology, land, building, assets, testing equipment etc. so there's not too much of remaining investment plan this year. It's about Rs. 10 crore in our battery business and about Rs. 5-10 crore in our machinery business. This too we will take a call once the situation normalizes, so that's the overall capex plan for the current year.

Competitors- well, we have local and known competitors, we are competing with international players now also at Kabra. The listed companies are Windsor Machines and Raju Engineering with who we compete, the two companies in the listed space with whom we are competing. I think effect of Covid I have already explained. GST is a simple question, we are in 18% slab.

Challenges - I think we've already overcome the large part of challenges which was the resetting of our thought process so we are certainly hoping that everything starts coming back to normalcy, business is back and yes, we all know that Indian economy will shrink this year. It all depends on how much consumer comes back, goes back and spends, the farmer goes back and spends, the building construction industry, real estate, the government goes

back and spends. So a lot of our pipe business is dependent on government spending, farmer spending, projects which come up, infrastructure projects, 5G installations.

So I think as the situation normalizes investment plans will all come back in the market and benefit us. So I believe we covered everything. The Pune factory, the photograph which you see on the opening page of the annual report was inaugurated in March and that's the month also we had our commercial bill. Thank you once again for joining, over to you SV.

**S. V. KABRA:**

Thank you. Members may note that the voting on NSDL platform continue to be available for the next 15mins. Members who have not yet cast their vote are requested to do so. Further, I hereby authorize the Company Secretary to declare the voting results and place on the website of the Company as prescribed. The voting results along with the Scrutinizer's Report shall be placed on the Company's website and NSDL; and also communicated to BSE and NSE as required statutorily. With this, I thank all the shareholders who have attended the meeting and hereby declare the proceedings closed and thank you once again everyone. Thank you.

**ARYA CHACHAD:**

Thank you SV Sir. All the Board Members may log off now. The e-voting platform will remain open for 15 minutes from now on. Thank you very much.

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