

KABRA EXTRUSIONTECHNIK LIMITED

TRANSCRIPT OF THE 38TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON FRIDAY, JULY 30, 2021 AT 10:30 AM THROUGH VIDEO CONFERENCING

Mr. Shreevallabh Gopilal Kabra:

Good Morning Ladies & Gentlemen.

I, S V Kabra, Chairman & Managing Director of the Company, will be chairing this meeting today.

I wish to mention that in view of the ongoing Covid-19 Pandemic situation, this year also the AGM is being held through video conference (i.e. VC) in accordance with the Circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI).

The quorum being present, I call this meeting to order. I welcome the members to the 38th 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 made necessary arrangements to ensure participation of the members at this meeting through Video Conference and enable them to vote electronically on the resolutions set for in the notice of AGM.

Before we start the main proceedings of the meeting, I request my colleagues on Board and Officers over the video conference to introduce themselves.

Mr. Anand Kabra:

Hi Good Morning everybody! This is Anand Kabra, Vice Chairman & Managing Director and also the Chairman of Risk Management Committee, joining from the Kabra Extrusiontechnik Head Office in Andheri, Mumbai.

Ms. Ekta Kabra:

Hi Good Morning! This is Ekta Kabra; Whole-time Director, joining from my office in Andheri, Mumbai.

Mr. Satyanarayan G. Kabra:

I am Satyanarayan Gopilal Kabra; Director; I am speaking from my home in Mumbai. Thank you.

Mr. Yagneshkumar B Desai:

Hi, I am Y. B. Desai, Independent Director and also Chairman of the Audit Committee; joining this AGM from my residence in Andheri West, Mumbai. Thank You.

Mr. Bajrang Lal Bagra:

Good Morning! Namaskar to everybody, I am Bajrang Bagra, Independent Director of Kabra Extrusiontechnik Limited and I am attending this AGM from my temporary residence in Ajmer. Thank You.

Mr. Mahaveer Prasad Taparria:

I am M. P. Taparria; Independent Director and also Chairman of the Nomination & Remuneration Committee; joining the meeting from my residence in Delhi.

Mr. Nihalchand C. Chauhan:

Good Morning! I am N. C. Chauhan; Independent Director; joining the meeting from my residence in Gowalia Tank, Grand Road West, Mumbai.

Mr. Boman Moradian:

I am Boman Moradian, Independent Director and I am joining this meeting from my residence in Andheri, Mumbai.

Ms. Chitra Andrade:

I am Chitra Andrade, Independent Director joining this meeting from my residence in Mumbai.

Mr. Akash Khandelwal:

Good Morning to all of you! I am Akash Khandelwal, CEO joining this meeting from my office in Kachigam, Daman. Thank You!

Mr. Daulat Jain:

I am Daulat Jain, CFO of the Company, joining this meeting from our Company's Head Office in Andheri West, Mumbai.

Ms. Arya Chachad:

Good Morning everyone, this is Arya Chachad, Company Secretary; joining from the Company's Registered Office in Mumbai. Thank you.

Mr. S. V. Kabra:

Thank you very much everyone. Apart from them, Mr. Avinash Ogale and Mr. Pramod Gugale, representing A. G. Ogale & Co., Statutory Auditors of the Company, and Mr. S. N. Bhandari and Ms. Manisha Maheshwari representing Bhandari & Associates, the Secretarial Auditors and scrutinizers for e-voting process at this AGM have also joined this meeting through Video Conference.

Since the last AGM, we are having few changes in the Board of Directors. In March 2021, Mrs. Chitra Andrade joined the Board as an Additional Director in the capacity of Non-Executive Independent Director. Resolution for her appointment seeking your approval is set out in AGM notice and I look forward to your whole-hearted support on this resolution.

I now request Ms. Arya to provide general instructions to the Members regarding participation in this meeting.

Ms. Arya Chachad:

Thank You Sir!

Good Morning everyone! This 38th AGM of the Company is being held through Video Conferencing, which is a new normal in view of ongoing Covid 19 Pandemic, in accordance with provisions of the Companies Act, 2013 and the Circulars issued with the Ministry of Corporate Affairs and the Security and Exchange Board of India (i.e. SEBI). The facility for joining this meeting through Video Conference and other audio-visual means is made available for thousand shareholders on a 'First Come First Serve Basis', except for the large Shareholders, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee as well as the Auditors, who are allowed to attend this AGM without such restrictions.

All the Members who have joined this meeting are by default placed on mute mode by the host to avoid any disturbance arising from background noise and to ensure smooth conduct of the meeting.

Members are requested to refer to the instructions provided in the Notice of AGM, for a seamless participation through Video Conference. During the meeting, in case the members meet with any technical difficulty, they should contact at the NSDL helpline number mentioned in the Notice of AGM.

As this meeting is being held through video conference, the facility to appoint the proxies by the members is not applicable, and hence the proxy register is not available for inspection. The Company has received request from few shareholders / members to register themselves as speakers at this meeting. Accordingly, the Moderator will facilitate this session once the Chairman opens the floor for the members. We have also received queries on various topics from few shareholders and the same will be dealt towards the end of this session. Shareholders are requested don't repeat the questions which have already been shared in advance.

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 to the in the Notice of AGM have been made available in electronic mode for inspection by the members during the AGM. The members seeking to inspect the said documents can view the same on the company's website- www.kolsite.com under 'Investors' Section.

With this, I now request the Chairman to address the shareholders and continue the proceedings of the meeting. Thank you.

Mr. S. V. Kabra:

Dear Shareholders,

Welcome to this 38th AGM of your Company. It is great pleasure to connect with all of you again, although this time again we are meeting virtually. On behalf of the Board of Directors, I want to thank you for taking the time out to join us today.

The Annual Report containing the audited statements of accounts for the Financial Year 2021, along with Reports of the Directors & Auditors and Notice of the AGM, have been emailed to you.

The Financial Year 2020-2021 was challenging to the industry with unprecedented disruption to life and livelihoods, various lockdowns and unlocks on account of continuing Pandemic and economic slowdown. However, what is heartening is that we have delivered good performance across all the business verticals in 2020-21 despite the challenging and dynamic environment. We are happy to share with you the financial results for the year ended 31st March 2021.

- The Company achieved Net revenues for the year 2021 at Rs. 277.11 Crores including Rs. 2.87 Crores by way from other income as against Rs.223.30 Crores including Rs.2.94 Crores by the way of other income, during the previous year. There was a growth of 25% as compared to the last year.
- The profit after tax for 2021 was Rs. 24.19 Crores as against Rs. 7.47 Crores for the year 2020.
- The company's domestic business performed very well, with revenue generation of Rs. 187.39 Crores, registering a remarkable growth of 31% as compared to the last year.
- Exports revenue was at Rs. 78.82 Crore, at 15% growth. Exports contribute approximately 30% of our sales.
- The pipe extrusion and spares division both were increased by 9% and significant growth of 72% was achieved in Film divisions, which is majorly driven by increased demand for flexible packaging in Medical and FMCG sector, particularly after the outbreak of the Pandemic.
- Battrix segment has registered a sales revenue of Rs. 1.96 Crores and is picking up fairly well, despite the subdued conditions and the conditions which are much worse particularly in Pune in the area where we are operating.
- Operating EBITDA has increased to 15% in this year as compared to 6% in last year, mainly due to significant course control measures and optimization of marketing spends.
- Earnings per share stood at Rs. 7.58 for the year ending 31st March 2021.
- Regarding of 1st quarter results of the current financial year, total sales turnover was Rs.53.72 crore as compared to Rs. 36.19 Crore for the corresponding with the previous year, growth of 48%. I would like to add that this turnover of Rs.53.72 crore is the highest in the last 5 years, if you compare with the 1st quarter results of all these past years.

Let me now highlight some of the key achievements of the Company. The Company has widened its portfolio by new developments in manufacturing of blown film lines designed for flexible packaging in industry such as liquid packaging, food packaging, industrial packaging, etc. KABRA's flexible packaging solutions for a wide range of industrial applications has gained significant share of the consumer packaging market.

Your company is working on reducing plastic pollution through focus on making plastic packaging reusable recyclable, compostable or bio-degradable plastics and processing of the same. During the year under review, the Company has innovated 'Eco-Green' series for the manufacture of Eco-Friendly and bio-compostable material to meet the environmental challenges.

In the last fiscal, we have set ourselves positive goals and have progressively achieved them. We have maintained adequate liquidity buffers to minimize the impact of the pandemic. It gives me a great pleasure to inform you that the Credit Rating has been reaffirmed at A1 for short-term and A for long term with a stable outlook by Crisil. In March 2021, the Company participated in Plastfocus, a virtual platform offering business opportunities beyond barriers, to present your Company's products through dedicated video gallery.

The Company focused on enhancing education, socio-economic development, women empowerment, animal welfare and quality of healthcare facilities under its CSR activities. You would be glad to know that during the Covid-19 situation, the Company has donated 22 oxygen concentrators to various hospitals at different locations

and oxygen cylinders for emergency use at Daman. Also, adequate measures have been followed at workplaces for safety and health of our employees, along with emergency medical support, whenever required.

As the country navigated through these crisis, the Government of India took effective measures to support economic recovery. The Union Budget of 2021 focused on regaining the growth momentum in the economy through several measures, including keeping tax rates stable and making huge investments in all sectors of the economy.

Going forward, Food processing, Healthcare and Pharma sectors are likely to drive the market for our extrusion machinery business. The Company has been receiving enquiries for Multilayer packaging, especially on Inner Bubble Cooling systems and high output plants. We propose to develop strong portfolio, with special impetus on development of seven-layer plant and promoting socketing machines as a package for all our pipe manufacture processors. Through regular interaction, we are developing customized solutions for all our customers.

The EV industry continues to be one of the biggest long-term sustainable business opportunities that our country offers. As per the market reports, the Indian Automobile market is already the 4th largest in the world and Indian 2 wheeler market size is around 20 Million, i.e. 2 crore per year and less than 1% as of them has been converted so far to electric. The demand is going real high with the Central and State Government's EV Incentives. Petrol price hikes, localization and reducing Lithium battery prices, next 5-10 years the electric 2 wheeler market is expected grow at CAGR rate of 25%.

Department of EV industries, DHI announced a 50% increase in incentives for electric two-wheelers at ₹15,000 per kilowatt hour from ₹10,000 per kWh. According to the new rules, the cap on incentives will be limited to 40% of the total price compared to 20% cap earlier. The Ministry of heavy industries has also mandated Energy Efficiency Services Ltd, that is EESL to procure 300,000 electric three-wheelers for use by different authorities in June' 21 itself. Delhi, Gujrat and Maharashtra Government, as all of you must have read, have offered various incentives which will include giving incentive of ₹5000-10000 per kWh of battery. Maharashtra and Delhi government also provides scrapping incentives in the range of Rs 5000-7000, waiver of road tax and registration charges on electric vehicles.

With 0.5GW capacity of state-of-the-art of our production facility and our in-house R&D facility, Battrixx offers power packed features like high range, high energy density, top Quality, light weight, compact design, long cycle life, fast charging, low maintenance, CAN based communication protocol, just to name a few. Bluetooth based different chemistry Lithium battery packs specially designed for our electric vehicle OEM customers, enable us to monitor battery health of the batteries from any remote location. As you know the brand name for this vertical manufacturing battery packs is Battrixx. The Market demand and our delivery growing each day passing by and we have already created a Brand value among the existing Top OEM customers Pan India. We are also increasingly witnessing encouraging enquiries and market response, including from some renowned OEMs in the industry. The outlook on Battrixx is extremely positive and is expected to reach the break-even volume levels this year itself.

The company will continue invest its considerable resources in R&D. As you know Kabra has always been very particular to invest the resources required for R&D. We are also recognized R&D center by DSIR and similarly we want to put the same emphasis on R&D for this division of Battrixx. Our focus is on leveraging technology to help us develop innovative products, diversify our portfolios and improve delivery performance to reinforce the brand 'Kabra'. We shall continue to explore growth opportunities and focus on driving out cost, while maintaining the highest quality parameters. The cost control measures adopted last year will be continued even for 2022 and some of the measures we have taken for our overheads will also give us benefit for a long time.

The curve of the pandemic is still unpredictable, as this country already witnessed a second wave of Covid-19 recently. Some of the challenges in near future are increase raw material prices, which may result into higher working capital requirement and currency downfall faced by some countries against US dollar, which may impact our export business. While short-term scenario still seems fluid, we believe that there is a mark of optimism for Indian economy and the long-term potential for both, extrusion machinery and Battrixx is robust and very very encouraging. Your company is hopeful of maintaining sustainable growth over the years.

The Board of Directors in its meeting held on May 21st 2021 has recommended dividend payment of Rs.2.50 per equity share of Rs.5 each for the financial year 2021, that is 50%. Approval of the members is sought for the same at this AGM.

With this, on behalf of the Board of Directors, I would like to express our sincere thanks to all our shareholders and stakeholders who have reposed their continued trust on us and look forward for their continued association in the years ahead. I would also take this opportunity to thank my colleagues on the Board for their valuable contribution. Before I conclude, with a very heavy heart, I would like to inform you that in terms of resolutions passed by the Members at 36th AGM in 2019, Shri. M. P. Taparia, Shri. N. C. Chauhan and Shri. Y. B. Desai will be completing their term as Independent Directors in September 2021 and apparently this will be their last AGM. They all have been associated with the Company for a long time and no words would be adequate for me to express our gratitude on my behalf, the board members and all the shareholders. As many of the shareholders, I hope, who have attended today must be seeing them for all these number of years on every AGM and it is like me, I am sure you also feel to miss them in the next AGM. Their counsel and guidance have been invaluable to us. I place on record our sincere appreciation for their wisdom, experience, involvement and immense encouragement to support the Company's steady growth and crucial phase of recent Battrixx venture, which will enable your Company to become one of the leaders in this segment, as we are in Extrusion machinery business.

Thank you. Thank you very much.

I now request Mr. Daulat Jain, our CFO to brief about highlights of the annual financial statements for the year ended March 2021.

Mr. Daulat Jain:

Thank you Chairman Sir. Good morning everyone, I will take you through explanation of our financial statement for the year ended March 2021. Attention of the members is drawn of Notes to Accounts on Annual Report Page Nos. 64 to 71.

- Note no. 2A and 2B about fixed assets – increase in property, plant and equipment is towards addition of plant and machinery and building for our battery division at Pune.
- Note no. 3 about non-current investment – increase in value of investment is due to change in fair market value of shares held in Plastiblends India Ltd. as of March 2021. There is a gain of Rs.118 per share in the current financial year, compared with loss of Rs.86 in the previous year.
- Note no. 6: other non-current asset- increase in other non-current asset is due to some capital advances towards capex at the battery division in Pune.
- Note no.8 about current assets investments -these investments are in form of liquid and equity mutual fund. Increase in current financial year is due to high profitability during the current financial year.
- Note no.9 on trade receivables – increase in trade receivables is due to high receivables in quarter 4 that is Rs.101crs in March 2021 vis-à-vis Rs. 53 Cr in the quarter ended March 2020.
- Note no.13 about other current assets – a decrease in other current assets is due to decrease in amount of pending insurance claim which was Rs. 6.02 Cr in March 2020 vis-à-vis Rs. 66,000/- in March 2021.
- Note no.15 about other equity – increase in current financial is due to high profitability for the year.
- Note no.19 on other financial liabilities – decrease in current financial liabilities is due to reduction in amount of expense provision from Rs.13.23 Cr of March 20 vis-à-vis Rs.10.4 Cr of the current March 2021.
- Note no.20 on current liabilities – decrease in current liabilities is due to deduction in amount of customer advances from Rs. 46.8 Cr v/s Rs. 37.5 Cr on March 2021.
- Note no.22 on revenue from operation – increase in revenue from operation is on account of increase in sales in the current year by 27%.
- Note no.25 about change in inventory – WIP inventory increased in the year 2019-20 because of dispatches in quarter 4 got impacted badly due to the outbreak of Corona virus and subsequent lockdown restrictions.
- Note no.26 on employee benefit expenses – employee benefit expenses reduced mainly on account of rationalization of manpower during the current financial year as a measure to control the fixed overhead and reduction in salary during the quarter of the current financial year.
- Note no.28 on other expenses – other expenses reduced mainly due to various measures taken to reduce fixed overheads, mainly towards travelling cost, exhibition, maintenance expenses etc.

Thank you sir. Thank you Members.

Mr. S. V. Kabra:

Thank you Daulat. As the Notice is already circulated to all the members, I take the Notice convening this meeting as read. Before we proceed, it may please be noted that, as required under the Companies Act, 2013, the Company had 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 & Associates, Practicing Company Secretaries, as the scrutinizers to supervise the e-voting process. 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 "Vote" tab on the previous screen where the Company's EVEN is mentioned. Members may please note that there will be no voting by show of hands or proposing and seconding of the Resolutions.

There are no qualifications, reservations or adverse remarks in the reports of the Statuary Auditors and the Secretarial Auditors. As regards requirement of databank registration in case of one of the Independent Directors pointed out by Secretarial Auditors, registration has been completed recently. With this, I take the both the Auditors' Report as read.

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

Now **Item No. 1** of the Notice relating to Adoption of Financial Statements for the year ended March 31, 2021.

The Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2021 together with the reports of Board of Directors and Auditors have already been provided to the Members.

Item No. 2 of the Notice seeks your approval for declaration of Dividend as recommended by the Board @ 50% i.e. ₹ 2.50/- per equity share for the financial year ended 31st March, 2021.

As I am deemed to be interested in the resolution at Item No. 3 related to re-appointment of Mr. S. N. Kabra as Director liable to retire by rotation, with your consent, I request Shri Y. B. Desai to take up this item. Shri Y. B. Desai.

Mr. Y B Desai:

Thank you!

I take up item no.3 on the notice related to appointment of Mr. Satyanarayan G. Kabra as Director, who retires by rotation and being eligible, seeks re-appointment. The Board recommends his re-appointment and seeks your approval for the same by way of a special resolution. I now request Mr. S. V. Kabra to chair the meeting to proceed with the remaining business of this meeting. Thank you.

Mr. S. V. Kabra:

Thank you Desai ji.

Item No. 4 of the Notice seeking your approval to appointment of Mrs. Chitra Andrade as an Independent Director of the Company for a term of 5 years effective from 05th March, 2021.

Next Item is Item No. 5 of the Notice relating to ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022.

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.

We now open the floor for questions by the members, if any. I request you to be precise and avoid being repetitive. 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 Number and the location from where you are joining.

Once you have asked all the questions, you can log off and continue to watch the proceedings. To avoid repetition, the answers to all these questions will be provided towards the end of the session. Members may also

note that the Company reserves the right to limit the number of members asking questions, depending on the availability of time.

I request Mr. Suresh Nambiar to proceed with the Question & Answer Session and open the floor to questions.

Mr. Suresh Nambiar (Moderator):

Thank you Sir. We now request Mrs. Lekha Shah to unmute herself and kindly proceed with her questions. You may ask your question please.

Ms. Lekha Shah:

Can you hear me sir?

Mr. Suresh Nambiar:

Yes Yes we can hear you. Please proceed.

Ms. Lekha Shah:

Respected Chairman Sir, Board of Directors and my fellow members, good morning to all of you.

Myself Lekha Shah from Mumbai. First of all, I am very much thankful to our Company Secretary, Ms. Arya Ma'am and Vidya Mam and Sanghvi ji for extending very good investor services, and also sending the AGM notice well in time in such a difficult situation. So I am grateful to our Company Secretary, Mrs. Arya ma'am. Chairman Sir and Mr. Jain Sir has explained everything in his opening remarks and also our Company Secretary, Mrs. Arya mam have explained everything in detail and hence I have no questions regarding the Balance Sheet. Sir, this is the second AGM conducted through video conference. I hope next year by the grace of God the situation gets better and we have a physical meeting. Sir, I am happy to see all the good deeds that you have done during this tough time. I pray to God that he always shower his blessings upon you. Sir, I would like to ask few questions.

My first question is - how is our company operating? Are the employees working from home or they are working from office?

My second question is - are all out company employees vaccinated against Covid-19?

My third question is - how many of our company employees were affected by Covid-19?

My fourth question is - what is the roadmap for the next two years?

So, I would like to say that I strongly support all the resolutions of today's meeting and my best wishes always for our company and its prosperity.

Thank you sir!

Mr. Suresh Nambiar:

Thank you Lekha Ma'am. Mr. Satish Shah, Sir you may ask your question.

Mr. Satish Shah:

Hello. Can you hear me, Sir? Am I audible?

Mr. Suresh Nambiar:

Yes please go ahead.

Mr. Satish Shah:

Shri Chairman Sir and all the Directors, you all have explained everything about the Company really well in the Chairman's Speech. Kabra is a brilliant professional. I would like to know, as the Company has declared dividend at 50%, what is the Company's dividend policy? I support all the resolutions for today. Wish you all the best. Thank you.

Mr. Suresh Nambiar:

Thank you Sir. Mr. Yusuf Rangwala you may ask your question please. Yusuf ji

Mr. Yusuf Rangwala:

Good morning, can you hear my voice? Hello

Mr. Suresh Nambiar:

Yes, you are audible. You may speak.

Mr. Yusuf Rangwala:

Good morning all. I am very much thankful to our Company Secretary Arya madam. Kabra Sir and Mr. Anand Kabra, our Vice Chairman, you are like two pillars like pillars of building. I had met Anand Sir two years ago and he is very hardworking and dynamic personality of your son. Today your position and rate in the market is because of your son because he works really well and is very knowledgeable. I am very happy to be associated with this company as a shareholder. Namaste to Mr. Sanghavi. He handles both companies. Please convey my regards to Sanghavi Sir. Also want know about Covid vaccination. Our plant was shut for 4-5 months. How did that affect our company? I would also like to know the total number staff that works in our factory?

I am glad about donation of 22 oxygen concentrators under the CSR activities you have conducted. It is by God's grace you are helping people with CSR. I don't have any further questions. Mu best wishes to you and festive greetings to Mr. Anand Kabra and his team. Thank you very much. Thanks to Arya Madam for sending the link to join directly. Thank you Sir. Have a good day.

Mr. Suresh Nambiar:

Thank you Yusuf ji. Mrs. Prakashini Shenoy, you may please ask your question.

Mrs. Prakashini Shenoy:

Yes Sir, can you hear me?

Mr. Suresh Nambiar:

Yes, you are audible.

Mrs. Prakashini Shenoy:

I am Prakashini Shenoy from Bombay.

Respected Honorable Chairman Shri Kabra ji, other dignitaries on the Board and my fellow shareholders, good morning to all of you. I received the soft copy of the AGM report through email, which is informative, colorful, and transparent and contains all the information as per the corporate governance. I thank the Company Secretary, Miss. Arya and her team for the same. I shall not forget to thank them for calling me and giving me the link, without which I would not be in a position to speak in today's meeting. We are living in days where everything is unpredictable, including our existence. In such circumstances running a company like Kabra is not a small thing. Salute you Sir. I am happy that the Balance Sheet is healthier as compared to last 5 years in spite of Covid-19. I am also thankful to the Board for recommending dividend for financial year 2021. I am thankful to the Company for doing excellent work in the field of CSR activities.

Sir, I have a few questions:

1. What is the effect of Covid-19 on the company and what are its challenges?
2. Do we come under the purview of GST, if yes then what are its rates?
3. Are we going to expand the existing R&D or are we going to have a new R&D, if yes then what shall be the approximate expense?
4. Who are our competitors?

I wish the company good luck for a bright future and pray to God that the profit of the company shall reach the peak in due course. I support all the resolutions put forth in today's meeting.

Thank you sir!

Mr. Suresh Nambiar:

Thank you Ma'am. Mr. Shlok Dave ji you may ask your question please.

Mr. Shlok Dave.

Mr. Shlok Dave:

Hello. Hello

Mr. Suresh Nambiar:

Yes you are audible.

Mr. Shlok Dave:

Good morning Mr. Chairman and thank you for the opportunity. First of all Moradian Sir good morning. I am a former student of yours 2006 batch Jamnalal Bajaj. Sir, you will live over till 150, Just last evening me and four of my friends were talking about your lectures, we reminding ourselves we would wake up at 7 a.m. for your lectures and even then those were easily the best lectures we ever attended and we are all students of finance and still you are a favorite teacher. So Sir it is so good to see you in such fine health and fine spirit and thank you very much attending the board meeting, it's always such a pleasure to see you Sir.

Sir, All the best and please have amazing health and amazing life sir. We are so grateful for all that you have taught. Thank you so much Sir.

Mr. Boman Moradian:

Thank you Shlok.

Mr. Shlok Dave:

Mr. Chairman and Mr. Kabra I have sent a long list of questions, I will not repeat them as I have sent 30 to 40 questions. Basically I would like to summarize them in 3 buckets –

1. In all your divisions whether we talk about plastic products, extrusion machinery or the new venture, can you take us through the basic Economics of all these segments?
2. What is the potential of these businesses?
3. On a strategy side are you guys not trying to do too much all at the same time? Like the Battery venture I am pretty sure that it is a challenging business to be in, whether I look at it from the manufacturing point of view, financial point of view or the marketing point of view. What is the strategy you are going to use to increase the scale in this particular business?

Also Sir the complications which come with something like a battery when we are supplying to OEMs. I don't know what the plan is to be honest, but if we are supplying to OEMs the warranty, liabilities, supply of lithium, who is going to ensure all of that? how is that going to play out? What have you thought about that?

That I have sent the list and I don't want to repeat it as it will take too long a time, but broadly Sir I am just trying to understand what you guys are trying to do here. It seems very unique as I haven't seen a listed company which is trying to do this in India. So it is very exciting and you're definitely ahead of the time. So whatever you can answer and I do understand some of them must be confidential in terms of competitiveness, the strategy and the competitive nature of the questions so you don't want to go into numbers that is also perfectly fine with me but whatever you can answer Sir I would really appreciate it. Also, given that our Company is reaching a certain level of complexity and size, I would also really appreciate if you guys can do quarterly con-calls. If you can give timely updates on how things are progressing that would be great and one final thing, Mr. Chairman in your opening statements you mentioned something about the starting capacity of the factory, the Battrix factory. Did I hear you right that it's 0.5 gig watt hours, is that the starting capacity? If you can clarify that it would be great. That's it, thank you very much for the opportunity and have a great year forward.

Thank you!

Mr. Suresh Nambiar:

Thank you Mr. Shlok. Thank you so much. Anil Parekh ji, you may ask you question please.

Mr. Anil Parekh:

Yes Yes. Chairman Kabra ji and other board of directors and fellow shareholders, Sir first of all we are missing our physical meeting. Can you hear me clearly?

Mr. Suresh Nambiar:

Yes you are audible.

Mr. Anil Parekh:

Sir, as I said, we are missing our physical meeting. I would like to thank Arya madam, Vidya madam, Himanshu and everybody at secretarial level that they always give us assistance whenever we need any kind of co-operation from them. So I am thankful to our Secretarial team. Secondly, Kara ji, we are missing you last year also we couldn't meet so I am really sad about that but if everything goes well I am hoping that you will be able to meet in a physical meeting and be able to personally greet you for all the work you are doing, excellent work for the betterment of the Company. Chairman Sir, before me a lot of people have asked a lot of questions so I would not like to argue about that. About financial performance we completely trust you, we know whatever you will do will

be in favor of the investors and I don't have any issues with you. I would like to extend my whole hearted support for all the resolutions proposed today and whenever we meet personally we will definitely discuss about the company and all the things.

Thank you very much for patient hearing.

Mr. Suresh Nambiar:

Thank you Mr. Parekh. Thank you so much. Mrs. Smita Shah, Mr. Bharat Shah, you may ask your question please.

Mrs. Smita Shah:

Ok Sir, thank you Sir, Can you hear us?

Mr. Suresh Nambiar:

Yes, barabar aa rahi hei

Mrs. Smita Shah:

Respected Chairman Sir, Anand ji Kabra, Shri Jain Ji and *manyawar* directors, I am Smita Shah from Bombay. Om Shanti. Congratulations for the good performance of the Company and we are meeting through this medium at the AGM for the second time. I am hoping you and your entire family are healthy and safe. As of now it is very important for everybody to take care of themselves and be safe, rest whatever the conditions are you have always shown bravery. Under your leadership you have taken the company to excellent places. Companies doing well even now even with all the good work young star Shri. Anand Ji is also on the Board. Anand means Khushi. So the company is full of happiness and that is a very good thing. The Balance Sheet was not completely opened, so I don't know much, but we trust you completely. You have been working so hard on the Company and along with you all the Board Team of the Company, and all workers have been working really hard with all the heart and soul which is why the result of the company is turning out to be good. Today also we support you and our blessings are with you. Thank you so much for the dividend. Sir, could you please highlight what was the effect of covid-19 on the company?

Attending this AGM Sitting at home is good but meeting physically very different, I pray to God that we all come out of these circumstances as soon as possible and a normal life continue. It is really nice to meet you today, though we meet once in a year, we are glad to see you Sir. For this, I would like to thank Miss. Arya, who is hardworking, polite and providing good services to us, solving all our queries over phone; she is a very nice girl and talks nicely to shareholders. I would also like to acknowledge Mr. Sanghvi ji for his dedication and hard work towards the Company for so many years. Many thanks to the Company Secretary, Miss Arya, Thank you to Miss. Vidya and Mr. Himanshu as well. I support today's resolution. Hopefully everyone remains safe and healthy and my best wishes for the future. Om Shanti Sir, now Mr. Bharat Shah will continue.

Mr. Bharat Shah:

Dear Chairman, Shri S V Kara ji. Shri S N Kabra ji, Shri Anand Kabra ji, and board of directors, my name is Bharat Shah. I am a shareholder for yours and have also been attending your AGM ever since, so I don't have any query because you have been running the Company very smoothly. You have always respected us as shareholders and taken care of us and given good returns. Thank you so much for that. In these tough circumstances you have run the Company so well and given us a good dividend, thank you Sir. If you could tell us a little about the 5 years future program that would be great. I would request you to declare bonus in one or two years. Also want to know when the last bonus was declared. CSR activities are also being carried out very well. Thank you so much for everything. Thanks to our hardworking Company Secretary, Arya Madam, Shri Himanshu, Sanghvi ji. they all are very hard working and solve our queries and give respect to shareholders. Arya ji, Vidya ji, Himanshu ji, Sanghvi ji thank you. When things get better kindly also keep our factory visit and a face-to-face meeting would also be great. You have all my support for the resolutions. Thank you, Jai hind, Om Shanti Jai Shri Krishna Sir. Thank you.

Mr. Suresh Nambiar:

Thank you Mr. and Mrs. Shah. Thank you so much. Mr. Dnyaneshwar Bhagwat, you may please ask your questions.

Mr. Dnyaneshwar Bhagwat:

Yes Sir, Can u hear my voice?

Mr. Suresh Nambiar:

Yes, you are audible.

Mr. Dnyaneshwar Bhagwat:

First of all, thank you so much for calling my name. Myself Dnyaneshwar Bhagwat, I am calling from Mumbai, Borivali. Secondly, I thank Arya mam for sending across the soft copy and it is made in such a way that all the queries have been solved, thanks to Arya Mam and her team and regards to Sanghavi ji, who served the Company. She sent me the link through an email and also gives me a call to confirm the same. My fellow shareholders have already asked questions about the financials, so I would not like to repeat that. I trust our Company's Board of Directors, and I trust Kabraji completely. The dividend declared by them in such a bad condition is commendable. I support all the resolutions strongly.

My question is - if we have our own company building, can we save some electricity through solar energy or solar power? Can we save electricity through solar energy? Are there any options available for that?

My best wishes for all the coming festivals to all the members and their family. Thank you very much for patient hearing Sir. Thank you.

Mr. Suresh Nambiar:

Thank you Mr. Bhagwat. With this we conclude the questions session. So, now I request Chairman Sir to please proceed with the answers.

Mr. S V Kabra:

Thank you for all your questions dear shareholders. There are some questions I would request Anand to reply to them.

Mr. Anand Kabra:

Good morning everybody and thank you for all the encouraging words for Kabra Extrusiontechnik. There are plenty of questions have come today as well as on email by many of our shareholders who have spoken today. We will try to answer most of them through this. I think a lot of questions related to Covid and Covid impact and overall working. Regarding the overall working, the main effect was actually in March 2020, for us where those 10 days which is very important for us at the end of the year, that impacted our dispatches largely and that's why in 2019-20 the revenues came down significantly.

After that the impact of lockdown was significant especially first two months of April and May, Daman was a complete lock down for us. Likewise for the plant in Pune, while we started commercial production in March 2020, because of strict implications of the lockdown people could not work, so we lost production in April and May 2020. Those two months of the Year not just the production but also the booking got significantly impacted, but in the month of June last year we were able to cover a good amount, plus whatever we had the March carry forward we were able to dispatch in the month of June last year. So the first Quarter last year was significantly impacted. We did have people in the company, our estimate is between 15 to 20% of the staff at some point has got infected with Covid. Affected by people being in Quarantine or people having to be out for work. This definitely impacted and affected the work. In this current year also the second wave which was from 15 April to 15th May, was a tough situation for the Company and again we had to do a short shut down because of high number of cases which came up. So overall that impacted us. At the same time, we have been following all the Covid norms that are required, there have been a lot of questions on the Covid vaccination part and even in the email queries come. We have facilitated our entire team in Mumbai, Daman and Pune to get vaccinated. Now most of our employees have received their first dose and because of the 84 day rule, they are waiting for their second dose based on availability and schedule as well. We have facilitated through our administration teams, across even in Mumbai itself to make sure that the staff gets vaccinated. In terms of working rules, whatever there with the local authorities and governments we were following them. Currently we are working from the offices and factories, they are completely operational but we have to go and see how the rules and norms come. So that is a little bit on the Covid and the Covid impact.

Yes we have taken a lot of CSR; I appreciate everybody for giving us that encouragement. We have donated lot of oxygen concentrators, especially in this April time to lot of hospitals around the country and we have received a lot of encouragement and appreciation from everyone.

Coming to the Dividend policy, the Dividend policy is normally between 30 to 40% of the net profit is a payout but it is not necessary. Generally we look around that range 30 to 40%, we have always followed this and this has also been followed for the\is year. Total staff we have in Daman including our branches is about 300 now and work men are separate, that is more.

GST is 18% like everywhere else for the company. On the R&D, the expansion this is an ongoing process. R&D and Technology is very critical to us, so we have a lot of international partners in the Kabra business and machinery business. So that's an ongoing process and we keep developing new products and new plants.

There was a question about competitors - we have a market share of about 40% in the organized space in our focused industries and 2 listed companies which are competitors are Winsor machines and Raju engineering. They are two listed companies.

The other was on the Solar Energy plan - so in Daman we are already doing this implementation, in fact the Daman government has also mandated increased in renewable energy. Every year we are increasing the generation for our own requirement by 5%. Now we have almost 20% of our requirement generated through solar energy. So we have set up the solar systems within our plants.

I want to thank everybody for sending the questions in advance, on emails there were a lot of questions, so we will try to do justice to them. I think a lot of them might have been answered in the chairman speech but we will try to club some of them together over the next 10 to 15 minutes which I would be discussing.

Also, Mr. Shlok Dave, we are also students of Mr. Moradian from SP Jain and that's how we got connected to Mr. Moradian. So we have also enjoyed the privilege to have learnt under him.

There are a lot of questions on Kabra extrusion, machinery business first on the capabilities in plastics, we are the largest manufacturers of plastic extrusion machines in India. They are used for Pipe and Film application. We have two plants in Daman, which are both DSIR approved as already said by the Chairman. We have technology tie-ups with Battenfeld Cincinnati from Germany, Austria, Unicor from Germany and then joint ventures with Penta SRL from Italy and Extron - Mecanor from Finland for some of the technology equipment's, which includes material handling equipment, bellling and socketing machines. We are of course in the business for the last 40 years and we have a very strong Brand across the globe. We are not into the storage tank machinery as was asked by someone. The Order size of an order is between 25 Lakhs to 7Crores, it depends on the kind of machine we do and we have a very strong healthy order book, it's almost ₹120 Crore with a good visibility for the next four to five months.

About realization changes, so realization depends upon product mix, it depends on market forces and of course what we do is continuously innovate on technology development, Value Engineering, controlling overheads and so on. That's how we are planning to protect the margins. We don't have much exposure to the single use plastic industry. Whatever exposure is there was mentioned in the chairman speech, we have come out with plants to address biodegradable plastics, recycling of plastic so we have developed machinery which are capable to handle these and this we have done the last two years with concern around the single use plastic. Biodegradable we have already entered. We are exporting to 90+ countries now and about 30% of the exports and major markets for us are Africa, Middle East and Southeast Asia. Life of a machine is about 10 years and of course 18 to 20% of our revenue comes from spares, which are from the replacement market.

On the current scenario, with the present set up, we can reach the revenue of about 350 to 400 Crores, margins have improved in the last year as well as this quarter because of certain cost control, overhead control, cost like travelling cost, marketing cost, exhibition cost, they have been controlled significantly. Because of the virtual world we have been able to control some significant costs. There have been some value Engineering exercises also and of course cost some of these costs will come back when we come back to complete normalcy but in the longer term we do expect to take some cost out which will definitely help company to improve margins and sustain the better margins which have come. The capex Plan is there. This year we have a good capex plan for the machinery business and for the battery business it will be depending upon the how the volumes pickup, we will keep bringing in the incremental capex. On the machinery business we expect about 6 to 8% CAGR over the next 5 years. So there have been a lot of questions around the Battrix business and let me first tell that the Company has only two business divisions, we are not into plastic product processing, and we are only into machinery manufacturing and now battery business. So it is very clear two separate verticals, the team is separate and we

have been one of the first movers in the lithium-ion battery business. We are enjoying this advantage at this point and because the teams are separate we are not trying to spread ourselves. In fact we are trying to take the company into a sustained growth, also look at the new areas for growth for the company and that's why we have ventured into the battery business.

Coming to Specific questions around product details.

We are into lithium-ion battery packs; we also do our own battery management systems. We are largely currently focusing on the two and three wheeler market but also the commercial vehicle market is growing and perhaps in the future we might also launch product to address the four wheeler space. The range of these vehicles is typically between 50 to 150 kms, takes about 4 hours to charge and we are also intending to supply to the energy storage system market which is besides the EV space. We have a technology tie-up and some patent technology which we bought to the market which is helping us differentiate in the market and getting very good appreciation from the good OEs of India. Currently the Lithium electrodes and all are, so India does not make Lithium cells, it's mostly battery pack but the Government has announced already the PLI scheme which is for the advanced cell chemistry and which will also encourage the cell manufacturing in India. Perhaps in the next three to four years we expect that the local cell-production will also start. Yes our capacity is 0.5 gig watt hours and the revenue from this can be close to 300 to 350 Crores depending upon the product mix. We are intending to differentiate from the market, like in Kabra, using Technology, performance and after Sales Service. We have built that setup and we are continuing to build it. Team over there now we're almost 150 people working on the Battrix business including the contract people. It is tough to get entry, like in any other Auto Industries to get into new companies, typical cycle is 3 to 6 months for approval but we have a lot of customers through whom we are in that cycle. Some OEs for standard products will approve products within 15 days as well. We have begun commercial sales; we have about 20 active OEs, both in the startup space as well as the traditional space through whom we are engaging. We have built our own strong R&D teams besides Technology from a Partner; Kabra strongly believes in R&D, we have a very strong R&D team and in fact we are growing that team, we are about 25 to 30 people right now and we are planning to enhance that team strength. We have warranty which is offered. There are of course certain conditions of warranty, to the manufacturers for the warranty because this is a new space the concern is about usage and there are a lot of do's and don'ts in electric vehicles and we have the same as part of our contracts with our customers as well. There is a good revenue we have already seen in the current quarter and we are expecting to scale this up every quarter going from here based on all the efforts which are being done on the field and we expect to reach our break even as already mentioned perhaps in this year itself or maybe in the next one year we expect to reach break-even operations. The variable cost in this business is pretty high because the cell has to be imported but then this is a very high economy of scale business. We do expect 10 to 12% EBITDA margins going forward and like other businesses we also expect an IRR of 15 to 20% should be delivered.

Working capital at this point put together is still difficult to say, they are very different and we cannot combine the two, it is a revenue mix so we won't be able to answer that.

I am going to jump on the battery business again because there were a lot of questions around that. We are currently into the lithium-ion battery pack business; we also design a battery management systems. The focus for us is two and three wheelers and e-bikes at this point but in the future it will also be commercial vehicles and four wheelers. The range for these batteries is typically between 50 to 150 kms; taking 4 hours to charge and besides that as the long term plan we also intend to enter the ESS, energy storage solution market. We are working with a European partner for Technology, as they have multiple patents, and of course at the same time we have built our own our R&D team and our R&D strengths. We have a large R&D team sitting in Pune. There are no Lithium ion cell manufacturing as yet in India so the question of electrolytes is still not relevant but the Government has announced the PLI scheme for cell chemistry and it's a very large outlay so in the next 3 to 4 years the cell manufacturing will also be a large business in India. Our current capacity is 0.5 gig watt hours with revenue potential of about Rs. 300 to 350 Crores when we utilize it completely. The focus for us on the USP of the product is always going to be Technology, quality, performance and service and that is what we are building on in terms of a brand, in terms of OEs with whom we are working. We are working with close to about 20 OEs now who are in different stages; many of them are in commercial production, many under approval. It takes 3 to 6 months for approval and we do expect many of these approvals to go through because of which we do expect a revenue ramp up as we go forward. We do have our own design team as many have said we have about 30 people in our RND but we're increasing that size because of future potential of this part of the business. Warranties are offered to the customers and we have back to back from cell manufacturers. Of course the EV space being new in a constraints on the usage because people don't understand how to use EV as yet and how to use Lithium batteries

as yet. So there are a lot of do's and don'ts given to the OEs when we supply to them. As already mentioned by our Chairman Mr. S. V. Kabra, we expect a reasonable ramp-up to achieve break even in the next one year. The variable costs are pretty high in this business, it's almost 80% but it's an economy of scale business so we're looking to really size and scale up this business and we expect between 10 to 12% of EBITDA margins in the long term and of course an IRR of 15 to 20%. Working capital for the business is very difficult so at this point it depends upon the mix between the machinery and the battery business, so we will not be able to answer two divisions put together.

Some of the other Questions were around a manufacturing process - we have a full-fledged manufacturing process. Many OEs have visited us and have said that this is probably one of the best battery manufacturing facilities for lithium ion seen by them in the entire country. It covers all kinds of Quality testing, assembly equipment including cell sorting, module assembly, welding, end of line testing, BMS fittings, panel mounting, and testing and so on. There is a lot of investment on the machinery side and one of our strengths is that we are able to customize battery packs for customers. So that covers more or less, as we said in the next 3 to 5 years we expect growth to come in the machinery business through the new product expansions and also on the battery business which would be significant portion of our machinery business and that growth will be added to a venture in the energy storage business. I think with that we have covered all the email queries and I would like to hand it over back to the Chairman Shri S. V. Kabra.

Mr. S. V. Kabra:

Thank you. Dear members, I hope Anand has covered almost every question you have put and wanted to know with clarity and in depth explanation.

Ms. Arya Chachad:

Sir, there was one question regarding the last bonus issue. It was in September 2010.

Mr. S. V. Kabra:

Thank you Arya and thank you shareholders for all your questions and like you members we are also keen to have the next AGM in the physical mode and not virtual mode and I am pretty sure we will all be meeting. I am also keen to have a chat one on one. Thank you once again and I would like you to note that the voting on the NSDL platform will continue to be available for the next 15 minutes. Members who have not yet cast their votes are requested to do so.

Further, I am authorising the Company Secretary, to receive the Scrutinizer's Report, to counter-sign the same upon receipt and declare the voting results as prescribed.

The Voting Results along with Scrutinizer's Report shall be placed on the Company's website and NSDL and also communicated to BSE and National Stock Exchange, as required statutorily.

With this, I once again thank all the Members for attending the Meeting and support extended to the Company. I also thank the Directors for joining this Meeting. I request the Moderator to deactivate the e-voting window after completion of 15 minutes, when the proceedings of this Annual General Meeting shall stand closed.

Thank you very much.

➤ **Ms. Arya Chachad:**

Thank you Sir. All the board members may log off now. Members attending the Meeting who have not cast their vote through remote e-voting may choose to vote now. The e-voting platform will remain open for 15 minutes time from now. Thank you.
