

Voith Paper Fabrics India Limited Transcript of the 51st Annual General Meeting

Day : Friday
Date/Time : 17th September, 2021 / 3:30 p.m. (IST) to 4:51 p.m. (IST)
Venue : At the registered office of the company, through video-conferencing.

Welcome note - Mr. Benno Edmund Morlock:

Namaste and Good afternoon ladies and gentlemen.

My name is Benno Edmund Morlock, Chairman of the Board of Directors of your Company and I am participating in this meeting from my office in Germany.

I welcome you all to the 51st Annual General Meeting of your Company. It is 3:30 p.m. Indian Standard Time and it is time to start the proceedings.

I hope that all of you, your families and all your loved ones are staying safe and healthy. I also hope that you are all vaccinated or on your way to getting there, so that we can emerge out of this pandemic stronger and return back to our normal lives at the earliest. I would like to let you know that the proceedings of this meeting are being recorded. During the meeting, the participants would remain on mute.

Before we start the proceedings of the meeting, I wish to introduce my other colleagues on the Board, Key Managerial Persons & the Auditors of the Company:

- Mr. R. Krishna Kumar
- Mr. Ravinder Nath
- Mr. S. K. Nagpal
- Ms. Shahana Basu
- Dr. Deepti Gupta
- Mr. Kalyan Dasgupta
- Mr. C.S. Gugliani
- Mr. Ankush Goel; and
- Mr. P.C. Jain

I now request my colleagues participating in this meeting, to introduce themselves. Mr. R. Krishna Kumar.

R. Krishna Kumar:

Thank you, Mr. Morlock. Good afternoon everyone. I am R. Krishna Kumar, Managing Director of your Company. Welcome to the 51st Annual General Meeting of Voith Paper Fabrics India Limited. I hope all of you are safe and well. I'm attending this meeting from Kolkata. Over to Chairman.

Benno Edmund Morlock:

Mr. Ravinder Nath.

He has been there a second ago, so I would proceed with the other participants and come back to Mr. Ravinder Nath at the end.

Benno Edmund Morlock:

Mr. S.K. Nagpal

S.K. Nagpal:

Good afternoon everyone. I am S.K. Nagpal, an Independent Director of your Company and also the Chairman of Audit Committee as well as Nomination & Remuneration Committee of the Board of the Company. I'm attending the meeting from my residence at Gurgaon. Over to Chairman.

Benno Edmund Morlock:

Ms. Shahana Basu

Moderator/Event Host:

Not joined Sir.

C.S. Gugliani:

I think not joined.

Benno Edmund Morlock:

I didn't hear acoustically.

R. Krishna Kumar:

She is not there. So you can proceed to the next director.

Benno Edmund Morlock:

Dr. Deepti Gupta.

Dr. Deepti Gupta:

I am Dr. Deepti Gupta, an Independent Woman Director. I am attending this meeting from my office in IIT, New Delhi. Over to Chairman.

Benno Edmund Morlock:

Mr. Kalyan Dasgupta

Kalyan Dasgupta:

Good afternoon everyone. I am Kalyan Dasgupta, CFO. I am attending this meeting from Company's registered office. Over to Chairman.

Benno Edmund Morlock:

Mr. C.S. Gugliani

C.S. Gugliani:

Good afternoon everyone. I am C.S. Gugliani, Company Secretary. I am also attending this meeting from the Company's registered office. Thank you. Over to Chairman.

Benno Edmund Morlock:

Representative of Statutory Auditor, Mr. Ankush Goel.

Ankush Goel:

Good afternoon everyone. I am Ankush Goel, Statutory Auditors of the Company. I am attending this meeting from my residence in New Delhi. Over to Chairman.

Benno Edmund Morlock:

Representative of Secretarial Auditors and the Scrutinizer, Mr. P.C. Jain.

P.C. Jain:

Good afternoon everyone. I am P.C. Jain, Secretarial Auditor of Voith Paper Fabrics India Limited. I am attending this meeting from my office. Thank You. Over to Chairman.

Benno Edmund Morlock:

Thank you. So, let's verify again.

Ravinder Nath:

Good afternoon everyone. Mr. Chairman, may I please introduce myself.

Benno Edmund Morlock:

Okay.

Ravinder Nath:

Thank you.

Good afternoon everyone. I am Ravinder Nath. I am a Non-executive & Non Independent Director of your Company and also the Chairman of the Stakeholders Relationship Committee on the Board of Directors. I am attending this meeting from my office in New Delhi. Thank you.

Benno Edmund Morlock:

Thank you.

We have the requisite quorum present to conduct the proceedings of this meeting and, I call this meeting to order. Now I request the Company Secretary, Mr. C.S. Gugliani, to provide general instructions to the members regarding participation of that meeting.

C.S. Gugliani, Company Secretary:

Thank you Sir. Good Afternoon to all of you once again.

In order to ensure the safety of all stakeholders, this Annual General Meeting is being organized through video conferencing, which is in compliance with the guidelines issued by the Ministry of Corporate Affairs, applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The Company has made all feasible efforts under the current circumstances to enable all of you to participate in the meeting through video conferencing and to vote electronically. The proceedings of this meeting are being recorded for compliance purposes.

Before we proceed further, I would like to mention certain points for your information and effectively participate in this virtual meeting.

In accordance with the provisions of the Companies Act and the SEBI Listing Regulations, the members who have been provided with the facility to exercise their right to vote by electronic means both through Remote E-voting facility and E-voting at the Annual General Meeting. The members who have not casted their vote through Remote E-voting, on the business items mentioned in the Notice of the AGM, and who are attending this meeting, the facility to cast the E-vote is available during the currency of this meeting and would remain available for 15 minutes after the conclusion of this meeting. The Remote E-voting for members began at 9.00 a.m. on Tuesday, 14th September, 2021 and ended on 5.00 p.m. on Thursday, 16th September, 2021. Members may please note that there will be no voting by show of hands.

The relevant statutory registers of the company are also available for inspection by the members electronically through the link on CDSL E-voting portal.

Members are encouraged to join the meeting through their laptops and use headphones for better experience. Use of internet with a good speed is also recommended to avoid any disturbance during the meeting. Participants connecting from mobile devices or tablets or through laptops connecting via a mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

As mentioned in the Notice, the facility of participation at the AGM through video conferencing or other audio/visual means has been made available for at least 1000 members on first come first serve basis, except for large shareholders, promoters, institutional investors, directors, key managerial personnel and the chairman of the audit committee, nomination and remuneration committee, stakeholders relationship committee as well as the auditors who are allowed to attend the AGM without any restrictions on account of first come first serve basis.

As the AGM is being held through video conferencing, the facility for appointment of proxies is not applicable, and hence the proxy register for inspection is not available. However, a body corporate is entitled to appoint authorized representatives to attend the AGM through video conferencing or other audio/visual means and participate and cast the vote. The registered office of the company situated at 113/114-A, Sector- 24, Faridabad-121005 (Haryana) shall be deemed to be as the venue for this AGM and proceedings of the AGM shall be deemed to be made here at.

We have received requests from some shareholders for registration as a speaker shareholder at the meeting. All such shareholders who are present today shall be allowed to speak sequentially, once the Chairman directs the same. We request speakers to limit their speech for about 3 to 5 minutes only. The queries from shareholders, would be responded towards the end of the meeting.

With this, I now request Mr. Benno Morlock, Chairman, to continue with the proceedings of the meeting.

Thank you.

Benno Edmund Morlock:

Thank you Mr. Gugliani.

Before we take up the items as per the notice, I would like to share the general outlook for the sector with all of you.

Good Afternoon Ladies & Gentlemen once again,

I warmly welcome every one of you to the 51st Annual General Meeting of your Company. It is a pleasure to connect and to interact with you all – although in a virtual mode. On behalf of the Board of Directors of Voith Paper Fabrics India Limited, I want to thank all of you for taking out time from your schedule to join this virtual Annual General Meeting.

As the Covid-19 raged across the world, it disrupted the routine for each one of us, our families and our communities, for organisations and even for countries. My heart goes out to everyone who has suffered the loss of their loved ones.

This has been a difficult year for almost all of us. But despite the pain and suffering, the unbreakable human spirit has shone through in kindness, empathy and compassion displayed by our families, our colleagues and our customers. Global cooperation has never been such important. Developing the vaccine for Covid in record time, is one of the example of joint collaboration and pioneering science. Presently, the governments across several countries, as well as industries are fighting together to revive and rebuild the economy in these challenging situations.

Voith Group also closely monitored the situation across its various locations and implemented a number of measures to protect its employees and their family members. In several parts of the world, the operations remained suspended owing to lockdowns imposed in respective region. However, we also saw several examples of efforts to keep our operations running smoothly and ensuring supply of materials as well as the services to our customers. Our focus continues to be on our people's health & safety, and protecting our business, while ensuring uninterrupted supplies to our customers.

The global pulp industry witnessed price volatility due to the disruptions caused by the pandemic that affected the entire supply chain. The pandemic also accelerated the diminishing trend of writing/printing paper and newsprint, given the increased pace of digital adoption across businesses and the closure of educational institutions and other commercial establishments for quite some time.

As the world turned to lockdowns to help stop the spread of coronavirus, the paper industry was one of those considered essential by many governments. The global demand for paper continues to show a growing trend with the increasing focus on e-commerce and hygiene products coupled with anticipated in the economic growth – which is a good sign for the future of your Company as well. Many companies have temporarily switched from making other products to meet the growing demand of the health sector. Additionally, the increasing penetration of the retail sector and e-commerce is continuing to surge in demand for wrapping & packaging papers.

Considering the fact that the customer sentiments are encouraging, educational institutions & offices are opening up in phased manner at many places and the business are investing in expansions, the prospects of your company for the rest of the fiscal year seems positive.

Your company is one of the leading suppliers to the paper industry and is well known as a reliable partner to paper producers. Through improvements in manufacturing efficiencies and structural adaptations, your company has remained competitive despite the challenging market environment. We will continue to strive to retain our competitive edge while remaining true to our core values of customer-centricity.

Despite changes & challenges, the company registered satisfactory performance during the financial year 2020/21. I would like to acknowledge and convey my sincere thanks to everyone associated with the Company who contributed in delivering such a performance during the tough times.

I would specifically like to take this opportunity to commend the unstinting efforts and dedication of all our employees, who successfully helped us sail through this difficult period. They ensured that as an organisation, we surmounted the challenges, continued to take the organisation forward and always contributed their best for the company. I would also like to thank my colleagues on the Board for their valuable guidance and contribution in steering the Company to higher levels of achievement.

As ever, I thank all our valued shareholders for their continuous support and trust, which has, in my view, geared us up to take on more challenges. Your trust and support gives us the confidence to push ourselves to deliver consistent performance and enhanced value in coming years as well.

I wish that you all and your family members remain healthy and safe and I look forward to see you in person the next Annual General Meeting.

The Notice convening this AGM and the Audited Financial Statements together with the Board's Report and Auditors' Report thereon, have already been circulated to the members electronically and I take the same as read.

However, I request the Company Secretary, Mr. C.S. Gugliani to provide a summary of the Auditors' Report.

C.S. Gugliani:

Thank you Sir.

The Statutory Auditors, B S R & Co. LLP and the Secretarial Auditors, P.C. Jain & Co., have expressed unqualified opinion in the respective audit reports for the financial year 2020/2021. There were no qualifications, observations or adverse comments on financial statements and allied matters, which have any material bearing on the functioning of the Company.

The Statutory Auditors' report on the financial statements are available on Page numbers 30-35 of the 51st Annual Report. The Secretarial Auditor's Report is available as Annexure IV to the Board's Report on page numbers 13 & 14 of the Annual Report. Thank you. Over to Chairman.

Benno Edmund Morlock:

Thank you, Mr. Gugliani.

We shall now take up the business items as set forth in the Notice. We will open the floor for questions by members after the business items are taken up and I request the Company Secretary to brief the same to everyone and also to invite the registered members to express their views.

C. S. Gugliani:

Thank you Sir.

Members may please take note of the following business items to be transacted at this AGM:

Item No. 1 of the Notice – Adoption of Financial Statements.

The Audited Financial Statements of the Company for the financial year ended 31st March, 2021, together with the reports of Board of Directors and Auditors thereon.

Item No. 2 of the Notice - Declaration of Dividend.

The Board has recommended a final dividend @ 50%, i.e., of Rs.5/- per equity share of Rs.10/- each fully paid-up, for the year ended 31st March, 2021.

Item No. 3 of the Notice - To reappoint the Director who retires by rotation.

Mr. Ravinder Nath, who retires by rotation and, being eligible, seeks re-appointment.

The text of the resolutions of the respective item is available on the E-voting platform of CDSL.

Now I would call up the name of persons who have pre-registered themselves as 'Speakers' for speaking at this Annual General Meeting. I request them to identify themselves by mentioning their Name, Folio No. and Place from where they are joining and would request the moderator to unmute them one-by-one. To avoid repetition, answers of all the questions will be provided at the end.

To start with, Mr. Ajay Kumar Jain from Delhi.

Moderator please unmute.

Ajay Kumar Jain: *Namaskar Sir. Mai Delhi se Ajay Kumar Jain, shareholder bol raha hoon aur sir company ne jo hume Annual Reports e-mail ke dwara bheji thi wo bahut achhi tarah se banayi gayi, usme financials or projections ke baare mein bilkul spasht kiya. Usko bananey ke liye, humare, aapke netritv mein, finance department ka bahut bahut dhanyawad.*

Sir, Iss varshik aamsabha mein judne ka main charm, apne adhyaksh ji se baaten sunne ka tha ki wo apni Chairman Speech mein kya kahenge, iss Corona kal mein, lekin unhone jo bhi kaha spasht or clear kaha. Sir, Aaj agar koi Voith ke baare mein prashn puchta hai, toh woh bemani hota hai, kyunki aaj bhi iss Corona ke bavjud bhi humara share aaj sabse top par trade kar raha hai Sir. Yeh hamari Company ki majbooti ko humesha ki tarah darshata hai. Isiliye lagta hai ki humare Chairman sahab ke netritv mein puri management, chahe Corona ka period ho chahe kitna bhi ho, humesha Company ko aage badane ke liye aur shareholder ke hit mein kam karti hai. Yeh hamari company ki thos parichayak hai.

Adhyaksh Ji, mein bas ek baat kehna chahta hoon, yadi sambhav ho, toh hamari Company ko ya toh bonus ke madhyam se, ya stock split ke madhyam se, kuch na kuch humen karen, taki hum apni share ki holding aur bada saken, kyunki hamari jo Company hai hamesha sona hi deti hai, aur sona rakhne ki ichha har aadmi ko trishna kabhi khatam nahi hoti hai.

Sir, aap toh apni management ke saathyion ke saath Company ko aage badhane aur labh ki taraf le jaane ki koshish karte hain, usi tarah jo hamare bahut varishth Company Secretary hain, Gugliani sahab, woh hai na bahut bada setu hain shareholder or management ke beech mein. Woh jara sab hi kuch e-mail karen, turant jawab dete hain bahut achhe hain, shuru se hi aise hi

hain aur aaj bhi unhone turant jawab diya aur mujhe aaj bolne ka mauka diya. Sir, sab kuch badiya hai sir.

Mujhe prashn poochney ka toh koi hak hi nahi hain kyunki corona ke bavjood bhi share ne itna achha kam kiya. Jo hamara nivedan hai jab hum physical meeting mein aapse milen, toh acha rahega. Sir itna acha presentation aa raha hai, yadi sambhav ho sake toh adhyaksh ji ke autograph dwara yadi Company ki Annual Report ki hard copy agar hume bheji jaaye toh woh hamari collection me rahegi taaki hum ye bhi dikha saken ki corona kal mein bhi hamare Chairman sahab ne aur humare Company Secretary sahab ne shareholder ko iss madhyam se judne ke liye diya.

Shubhkamnaayen, mangalkamnaayen Company ki jeet ke liye aur puri management or CS sir ke liye. Sabka saath, sabka vikas, yahi naara hai humare pradhanmantri ji ka aur Company ussi tarah badti jaaye. Namaskar, Jai Hind, Jai Bharat.

C.S. Gugliani:

Thank you Mr. Ajay Kumar Jain.

Now, I request Mr. Satya Prakash Mittal from Lucknow.

Moderator please unmute Mr. Satya Prakash Mittal.

Moderator/Event Host:

Mr. Satya Prakash Mittal has not joined the meeting.

Satya Prakash Mittal: Sir, I am here. I am representing Mr. Satya Prakash Mittal against folio number 1208160003434171. We have sent in our list of questions. Good afternoon Chairman Sir, dear Board members and my fellow shareholders. Thank you for giving us the opportunity to speak at the AGM. I have already registered myself as a speaker and have sent in my questions, but I would just like to repeat, you know, few of them, so that Chairman Sir and other board members, if they can highlight on those questions.

So, one is, that you know, just to understand from the company since we are a paper machinery company and we are in very close touch with all the paper giants. So, you know, what does Voith think that the Paper Industry is headed in terms of growth? Since there are some segments which are growing some segments which are not, so some colour on that would be really helpful.

And sir, if you can, you know, it would be very difficult to put down an exact number but if a ballpark figure can be given off, you know, what percentage of you know, the industry is de-growing like, you know, what we see in terms of traditional printing and newspaper, print paper that we see how much do they form of the overall industry and how much do E-commerce and packaging form today and roughly you know, what kind of traction is the company seeing from the paper companies? We see that, you know, that a lot of small and mid sized companies, even large ones, are undertaking a lot of expansion in this industry. So, what kind of opportunities lie for a company like Voith, which is a leader in the segment. Then, what is the domestic industry size of our products and what market share would we have currently, if you can throw some light on that, that would be really helpful. The company does not have a lot of support, like export revenues, but we see that, you know, that since ours is a MNC company, what are the companies plans, since India still has that labour arbitrage? I mean, our company is very, you know, works on automation and other things, but given that, you know, there is a cost arbitrage in other factors as well. So, what kind of export market do we envisage for the company and what are the steps that that are we taking towards that? A lot of paper companies are also moving towards the moulded packaging and

cutlery segment. So, do we cater to this segment as well? And if we do, then what kind of opportunity lies for our company? Then given, you know, the paper industry is the upcycle right now due to supply chain disruptions. Just if the management can touch upon, how sustainable these things are and how does the company look at such developments of, you know, a volatile environment?

Moderator/Event Host: Mr. Mittal, please be precise.

Satya Prakash Mittal: Can you hear me, Sir?

Moderator/Event Host: Yes.

C.S. Gugliani: Yes clear.

Satya Prakash Mittal: So I'm basically trying to understand that, you know, given the supply chain disruptions, how is the company managing in such an industry where there are so many supply chain disruptions and entire industry is in an upcycle right now? So, how are we capitalizing on this opportunity and, you know, are these high prices still holding up? What is the spread between paper and pulp currently and how has that been historically? If you can talk to us about the top 3 products that we have in the company and also the vision of the company for the next 5 years. That's it from my side Sir. I am looking forward to your answers.

Benno Edmund Morlock:

Thank you. I would request the Managing Director, Mr. Krishna Kumar to give answers to the queries of the shareholders, if possible.

R. Krishna Kumar:

Chairman, is it okay, we hear all the shareholders and then we will answer them at the end.

Benno Edmund Morlock: That's fine.

C.S. Gugliani:

Thank you.

Now, we go to the next person Mr. Nandkishore Sharma from Mumbai.

Nandkishore Sharma: Thank you for this opportunity. I do have sent in my list of questions. I will just repeat them very quickly.

What is the size of market in both dry processing and wet processing? We were strong players in dry processing. What is our current market Share in both dry & wet processing?

Second is how big is the import and unorganized segment in industrial felts for paper? Has the share of these two segments reduced in the past few years?

Third question, does the consumption of felts increase or decrease if different types of products are manufactured? In terms of felts intensity, could you rate the following segments, tissue paper, packaging, newsprint, printing and writing, any others? And which of these segments are growing faster?

We hear a lot of capacity installations of paper mills in India. What is the growth outlook for paper fabric due to these installations? There were 15 Voith machines in 2013 in India. How many Voith

machines are installed in India currently? Do our fabrics have a 100% revenue share from Voith Machines and what is our market share from Non Voith Machines?

Could you please guide on the export strategy? I think somebody else too asked, so is there an opportunity for us to outsourced manufacturing for our Parent?

And the next is, what is the revenue concentration of top 10 consumers? What % of revenues came from product introduced in the last 3-5 years? Could you talk about forming fabrics and its opportunity size in India.

The last few, what has been the realization trend? Do we see a realization increasing in the next 3-5 years? With our first Phase of capacity enhancement complete, what is our new capacity? What will be the total capex for this capacity addition? What is our current utilization? Of our total volume, how much is for from value added products and what premium does a value added product command over a standard product? And last is, our company has nearly 30 acres of land in Faridabad, how much of this land houses the plant and what is the vacant land area?

I have just one request, the last year many of the questions were skipped. So, I please request you to answer them one by one, really appreciate this from you. Thank you.

C.S. Gugliani:

Thank you Mr. Sharma.

Now, I request Mr. Varun Anil Bang.

Varun Anil Bang:

Hello, Am I audible sir?

C.S. Gugliani:

Yaa Mr. Varun, please.

Varun Anil Bang: Yes, Hi, my name is Varun Bang and I am joining this AGM from my office in Mumbai and thank you very much for the opportunity. Congratulations to management on delivering strong performance in the challenging environment. Now I have also sent in my questions. So, you want me to read them out, or you will answer them at the end of all the speakers.

R. Krishna Kumar:

For the consumption of all participants, if you would like to talk about some of the questions would be nice, otherwise in context.

Varun Anil Bang: So, I mean questions are on similar lines, I think few of them have already been asked. So I will just repeat the ones, which have not been asked.

So, first is, how have competitive dynamics changed in last one year in the domestic markets given the Covid scenario and would we have gained market share from the rest of the players. I mean, we have reported quite satisfactory performance in comparison to other players. So, have we gained market share? How many customers we have added in last 3 years and similarly, would we have lost any during the same period?

And the second part of this question is, how would we be associated with most of the top 20 players in the paper industry in Indian market?

Third is, how are Paper Mills currently looking at expansions? We have seen couple of announcements, so what is the situation on ground?

Fourth is, when customer is buying competitor product, what are the 3-4 driving factors? Is the market very price sensitive? Can you please elaborate on that?

Last 10-years, what we have seen is that Voith has increased its dominance and it has not only gained market share but today we are the most efficient and profitable company in the industry. However, what we are seeing is, of late companies like Shalimar, Wires and Fabrics, they are also undertaking technological upgradation and they are also expanding their capacity. So, do you see competitive intensity increasing in the medium term?

And sixth question is, how are we in comparison with Valmet in terms of product portfolio presence and after sales service?

And the last question is on the cash continues to take toll on our overall returns. So, how do we effectively look to utilize cash to maximize shareholder returns?

So these are the questions from me. Again, the same request, I think last time, I was not done with my questions and I was basically disconnected in the midway. So, request you to answer all my questions. Thank you .

C.S. Gugliani:

Thank you Mr. Varun. Now, I request Mr. Mahesh Chandra Agarwal.

Mahesh Chandra Agarwal: Thank you Sir. Good evening to all. I hope I am audible.

C.S. Gugliani: Yes, please.

Mahesh Chandra Agarwal: I Straight away move to my queries. The Company is in the process of its capacity enhancement, please provide the details of the same with respect to products, cost, location etc.? Permanent employees on the rolls of the company as on March 2021 were 125 against 129 as on March 2020. In-spite of this expansion, why 4 employees were reduced? Please explain.

Company is producing specialized products thus requiring specialized manpower for the capacity enhancement. What are the sources of placement of skilled manpower? Whether the company is also hiring contractual employees, if yes please provide number of such employees.

The company is still doing trading in Fabrics which is being procured from its foreign associates. Please explain the need of trading and items traded, when the company is having manufacturing facilities of fabric? What is capital work-in-progress written off Rs.85.30 Lacs written off in extraordinary items in the year 2019-20? You could refer to note no. 45.

Company has incurred Rs.505.00 Lacs towards Technical know-how fees / royalty. Please inform why the fee is paid and to whom the same has been paid?

Company has shown capital work-in-progress disposal/adjustment during 2019-20 of Rs.2491.50 Lacs whereas additions in Fixed assets shown as Rs.2386.80 Lacs. Could you please explain the reason of the difference?

Company has provided for loss allowance for doubtful deposits of Rs.12.50 Lacs out of total security deposits of Rs.16.10 Lacs. Please provide the reasons for the same?

Company has shown export sales of Rs.1251.30 lacs. I would like to know the main countries to whom export is being done and the product that is being exported.

Communication expenses have increased from Rs.60.10 Lacs to Rs. 96.60 Lacs. I would like to know the nature of communication expenses with reason of such abnormal increase?

I would also like to know the names of associate companies, concerns registered in India and nature of transactions carried out by the company with them. My last question is that the Company is working in one segment "felts" at several places "fabrics" is mentioned. Which product is this? Thank you.

C.S. Gugliani:

Thank you Mr. Agarwal.

Now, I request Mr. Om Prakash Sharma.

Moderator/Event Host: He is not joined.

C.S. Gugliani: Okay, Thank you.

Now, we go to Mr. Avinash Agarwal.

Moderator/Event Host: He is also not joined sir.

C.S. Gugliani: Okay. Mr. Shlok Dave.

Shlok Dave: Am I audible sir.

C.S. Gugliani: Yes, please.

Shlok Dave: Thank you very much for the opportunity Mr. Chairman. All the questions have been asked just one remains from my understanding atleast, which is on margin dynamics. I can't really understand what drives the margins in this business? If we can just explain that, other than that, everything else has been asked, I would repeat the sentiments of Mr. Nandkishore Sharma, I believe yeah, because the questions are very similar, I was just ticking all the questions in my list and everyone was asking these. I would request the company to consolidate everything in an e-mail so that nothing is missed and then send out to all the people who have logged in, that is the best way to address these questions, because something or the other does get left out.

Anyways, thank you for the opportunity. Mr. Chairman, I hope everything is fine in Germany. You guys are, your country is entering into a new era, after Madam Chancellor leaves her post and I wish you all the best, it's a massive transition for you guys. So all the best. Thank you very much sir.

C.S. Gugliani:

Thank you Mr. Dave.

Now, I request Mr. R.P. Tulsian.

R.P. Tulsian: Hello.

C.S. Gugliani: Yes Mr. Tulsian.

R.P. Tulsian: *Ye video aa raha hai aapke paas? Sabse pehle, welcome Mr. Benno Morlock, Chairman in India. Kya meri aawaz clear hai aapko?*

C.S. Gugliani: Yes, it's clear sir.

R.P. Tulsian: *Okay. Sabse pehle toh Chairman sahab, mein maafi chahunga ki mai German mein nahi bol pa raha hoon aur mai Hindi mein bol raha hoon. Aur agli baar try karunga ki agli baar aayenge toh mai German mein bolunga, ye mera promise hai aapko. I will speak next time, I will try to speak in German as well.*

Benno Morlock: Okay. Thank you.

R.P. Tulsian: Next time. Yes please.

So aapke hamare jo board members hain, sabka bahut-bahut dhanyawad ki aapne badi furti se aur veerta se kaam kiya hai. Mai toh aapko Corona Warrior hi kahunga, ki aapne itna badiya result nikal kar diya hai. June quarter bhi aapne Q1, 2021/22 ka bahut acha diya hai, jo mai aapse ummeed nahi kar raha tha. Aapke defence mein bol raha hoon, ummeed nahi thi aapse bilkul bhi lekin kabhi kabhi ummeed se badkar bhi kam ho jaata hai. Aur yeh company ne karke dikhaya hai. Aur mai ummeed karta hoon ki jo current quarter hai, current year hai, uss par aap jarur prakash dalenge ki woh bhi theek chal raha hoga.

Dividend aapne bahut achha maintain kiya hai, 50% bahut achha dividend hai lekin shareholder ke roop me meri shikayat rahegi, ki bhai kam hai, yeh dil maange more, something more. Kyunki hamara jo EPS bahut achha hai aur EPS jab acha hai toh aap fortune share karenge, better rahega.

Next important baat yeh hai ki humare paas bahut achha developed jameen hai, land bank hai acha Faridabad mein, factory bhot acha perform kar rahi hai aur ab meri nazaar kahin aur hai wo balance sheet mein hai, asset side mein, hint de raha hoon aapko, aap samajh gaye honge. Pehle toh mai dhoond raha tha ki Income statement me kahin koi interest payment hai, dur dur tak nazar nahi aaya mujhe, koi loan nazar nahi aa raha aur tab maine dekha ki 200 crore rupaye current assets mein hain halanki details mere paas nahi hai ki 200 crore mein kya hoga lekin mai yeh maanke chalta hoon ki ek acha reserve hamare paas hai aur assets bhi hain, sanyog bhi hai. Dividend mein mera jyada interest nahi hai, personally speaking. Aap dividend kam bhi de toh chalega, aap dividend 50% se 25% kar dijiye koi problem nahi hai, par conditions apply, MD sahab conditions apply. Isse mat khush hoyie ki maine kaha ki dividend kam kar dijiye. Condition yeh hai ki aap thoda bonus dijiye logon ko, iska split kijiye, share ka split kijiye. Mai aapko iss sense se nahin keh raha hoon ki aap isko 1 rupaye mein convert karen, 5 mein karen, 2 mein karen, it is up to you. Yeh board ka prerogative hai lekin isse kya fayda hoga ki jo humari stock market ke andar dealing hoti hai wo badi kam ho pati hai, bechne wala bech nahi pata, khareedane wala khareed nahi sakta. Situation bahut hi awkward ho jati hai, jo ek acha value breakout nahi nikal pata iske andar, iski value double ho sakti hai agar aap ye thoda se step uthayen aur jo non cash step hain aur jo step maine batayen hain isme ek rupaye ka kharcha nahi lagega, saara kam e-mail se ho jaayega. Sirf aapne humko ek e-mail hi bhejni hai ki we are pleased to announce, it's

split or bonus. Ek rupaye nahin lagega, believe me. Aapke sabhi, CFO, Company Secretary baithe hain, they will assist you ki ek rupaye bhi nahi lagega iske andar, ek paisa bhi, believe me, ek rupaye bhi nahi lagega. Ab bonus dene se kya fayda hoga ki share bazaar me badhenge, shareholder ke haath khulenge aur jo bade investor hain woh humari company mein aa sakenge. Kyunki dekhiye jab tak value creation nahin hoga, value breakout nahi hogi, bade investor nahi aayenge hamare paas.

Doosri baat mai ye kehna chahta hun ki, I hope maine koi baat repeat nahi ki hai jo humare esteemed shareholder ne pehle kahi hai. Mai aapka samay kharab nahi karunga. Bhai ye itna cash humare paas ye pada hai, iss cash ko bankon mein, saving mein rakhkar ya current account mein rakhkar koi fayda nahi hai. Mera request hai aap apne wisdom mein rakhiye iss baat ko, ki bhai kahin mutual fund mein laga do, kahin government bond mein laga do, yaa jameen mein laga do, jameen sasti hai Faridabad mein, investment kar dijiye aap. Koi aisa product hamari parent company se le aayie aap jo yahan ban sakta ho ya chal sakta ho. Mera kehne ka arth yeh hai ki isko khali bina interest free loan jo aapne banko ko de rakha hai, ye avoid kijiye. Bank wale humare sagey nahin hain. Company ka board iss par vichar kare. Chairman ko aap meri baat jo hai, woh German bhasha mein bhejkar convey karein ki woh samajh sakein, ki hum company ke fayde ke liye baat kar rahe hain, Believe me, maine shareholder ke fayde ke liye toh ek bhi baat nahi ki hai. Mere baki shareholder bhi kahenge ye baat ki Tulsian Ji koi aapne hamare liye sawal nahin poocha, bilkul theek keh rahe hain aap. Mai toh company ke fayde ke liye baat kar raha hoon. Aap Faridabad mein adjoining area mein aur jameen le lein, agar aapka bank mein rupaye rakhne ka, FD karane ka irada nahi hai, mutual fund mein irada nahi hai, mai usme kuch nahi kahunga aapko lekin isse naya paisa niklega. Yeh dividend aap 200% kar sakte hain, 50% kam hai, isko aap 200% kar sakte hain bina production ke. Bina production badhaye, agar aap iss cash management ko better kar lein, apne saathyon ki salah se, toh aap bina production badhaye, bina sales badhaye, aapka 4 crore ki capital par double dividend toh ho hi jaayega.

Aur Last meri baat ye hai ki, koshish karein hum jo ek baar aapse milte hain saal mein ek baar, jitni achhi aap balance sheet bhejte hain, annual report banakar bhejte hain. Abhi MD sahab main aapko bataun, mai toh aapse connect hi isliye ho payan hoon ki aapki good governance ki wajah se, Company se do baar mere paas ye aa gaya, contact ho gaya. Mai being senior citizen itna tech-savvy nahin hoon. Mai dhanyawad karunga aapki team ka jinhone mujhe connect kara diya immediately, aur yeh bahut achi baat hai. Abhi ek shareholder ne jo baat kahi, mai bhi usko 'Thumbs up' karta hoon, ki yahan reply turant aata hai, shayad hamari dil ki baat jaante hain aapki team wale ki shareholder ne button dabaya nahi ki wahan se message aa jaata hai ki sir this is done, this is done, this is done, wah. Mai keh raha hoon ise please aap maintain rakhiye, agar Corona me aapne kiya hai. Aur ek mai kahunga ki annual report ki copy aap print out nikalkar jo request karein unko bhej dein toh yeh bahut jyada kathin kaam aapke liye nahin hoga. Aur bhai dekhiye, mai toh baniya hoon, free ka kam nahin chahta toh mai toh kahunga aapse ki aap paise charge kar lo. Jo aapse annual report print par maange, aap charge kijiye hum jama kara denge. Kyunki mai company ka paisa barbad nahin karna chahta.

Moderator/Event Host: Sir, you are requested to be precise please.

R.P. Tulsian: *Aur mai kahunga ki jo aap theek samjhen aap kar dijiye aur mai ummeed karta hun ki aap mere bolne ke baad kuch baton ke reply de paayenge, aisi ummeed ke saath mai aapko fir dobara badhayi deta hoon aur last mein ek ummeed karta hoon, sir usme bhi boliyega, ki aapne hamare sabhi employees ka dhyan rakha hoga corona mein, unki yatha sambhav madad ki hogi, aisa mai maanke chalta hoon kyunki humari company ki covrance bahut hi sundar hai. Kyunki*

maine aapki greenery bhi dekhne ka mujhe ek baar soubhagya mila hai, kayi saal pehle. Toh mai samjhunga ki aapne hamare employees ka bhi dhyan rakha hoga. Inn shabdon ke saath ek baar punah aapka dhanyawad, aabhaar or agle varsh ke liye aapko shubhkamnaayen. Thank you.

C.S. Gugliani:

Thank you Mr. Tulsian.

Now, I request Mr. Chetan Chadha.

Moderator/Event Host: Sir, he has not joined the meeting.

C.S. Gugliani: Okay. We go to the next person Mr. Ankur Chanda.

Ankur Chanda: On the queries of all the shareholders, now I would.....Hello.

C.S. Gugliani: Yaa Mr. Ankur.

Ankur Chanda: Sir, meri aawaz aa rahi hai aapko?

C.S. Gugliani: Yes please.

Ankur Chanda: *Good afternoon sir. Jo maximum meri query thi woh lag-bhag toh pichle shareholder se solve ho hi gayi hai. Lekin meri ek query bahut badi hai, bahut jo jaruri hai, woh yeh hai ki koi bhi aapka contact nahi hai, matlab agar hum aapse koi contact karna chahey, koi phone karna chahey, phone nahi hai aapka. BSE site par jo number de rakhe hai, they numbers are not, matlab milta hi nahi hai woh number, kisi tarah se bhi. Matlab hum company mein agar kisi se baat karna chahein, koi query agar phone se karna chahein toh kuch nahi hota uspe. Speaker registration, theek hai aapne mereko liya speaker registration mein, lekin mere paas message nahi aaya ki bhai haan, ki speaker registration aapka ho gaya hai, ya nahi hua. Bas ye thoda sa aapke secretarial department ka failure hai jiske karan thoda sa mujhe dikkat hua baki toh theek hi hai, company toh jo director chala rahe hain ye saare theek hi chala rahe hain, Chairman sahab theek hi chala rahe hain, lekin secretarial department ka yeh failure hai sir. Bas sir, dhanyawad, yahi kehna tha.*

C.S. Gugliani:

Thank you Mr. Ankur.

Now, I request Mr. Saket Kapoor.

Saket Kapoor: Yaa, can you hear me sir? Hello.

Moderator/Event Host: Yes sir.

Saket Kapoor: Hello, am I audible sir?

C.S. Gugliani: Yes

Saket Kapoor: Can you hear me sir?

Moderator/Event Host: Yes.

Saket Kapoor: Just a second, give me a second, I'll just switch on. I hope sir, I am audible now. Hello...

C.S. Gugliani: Yes please.

Moderator/Event Host: Please continue.

Saket Kapoor: I am just continuing, give me a second. I will just also switch on the camera, although not needed.

Thank you sir, Gugliani sahab for giving me the opportunity, firstly at the outset. I am really thankful to you for accommodating me. Sir, as earlier speakers have already put forward their point, so I won't be repeating it for the sake of repetition, I won't be doing that. But Sir, would like to know, currently what is our installed capacity & utilization? Firstly, the installed capacity currently and the capex which we have done, what would be lead to going forward? And, how has been the utilization levels for the last 2 years? When we were looking at your the order book position, it was similar when compared to the last 2 years? So, whatever turnover we are doing, we are already adding that amount of order book every year. So, currently with the changed scenario and with the demand from the tissue paper segment and also the corrugated boxes and all, what are we looking in terms of the order book currently, sir?

And also sir, what is the size of the market that we are catering to, in terms of, what is our potential of peak turnover that the company can look forward in the best of times, if you could give understanding on that? And what are the cost control measures taken by the company? What are its impact and whether these are consistent or were one-off, if you could give some understanding on the same?

And sir, out of the total revenue, how much we are catering to the OEM, the original equipment manufacturer now and what is catering to the replacement market? I was looking about the size of the accessible market in terms of the replacement market also and the life cycle of the product also, where we are and also that if you could throw some light on the our key customer profile, sir? Who are our key customers and in the raw material baskets, what constitute the key raw material and what factors are the raw material prices dependent on and what steps are we taking to mitigate the impact of the same?

About this royalty revision part also sir, when is that being reviewed going forward? I think so there was an increment from 4.8 crore to 5 crore for this year. And sir, how is forex going to affect our numbers going forward, as large portion of imports do happen.

And the amount is spent on R&D sir, how is this internet of things, the automation part, robotics can affect the manufacturing process and also the machine's going forward? How are these our machines going to be further automated, involving lesser involvement from humans and more into the automation, if you could throw some light on the same?

Sir, this is a very unique company, Voith paper machines and in the listed space, to best of my knowledge, there are not very near comparison, so, this is my request to Mr. Chairman, Mr. Benno Morlock, to kindly look into the interest which investors have in this company and going forward if some regular business updates, press release, conference calls and further interaction with investors community in the forms of the mediums, wherein your investors can participate and get an understanding on the quarterly, half yearly numbers on a regular basis, would be very helpful in the near future going forward to look into it and look into the merit of the same.

And, I heard Mr. Kumar being in Kolkata and I am calling from Kolkata itself. Stay safe here sir, given an opportunity, I can come down and meet you wherever you are. My contact details are

with the company, it would be a good gesture on my part if I could host you. That's a very small request from my part and hope for the best going forward. Thank you.

C.S. Gugliani:

Thank you Mr. Saket Kapoor.
And lastly, I request Mr. Rahul Kumar Paliwal.

Moderator/Event Host: Mr. Rahul, please unmute yourself.
Hello, Mr. Rahul Paliwal. Sir, I think he is not joined properly.

C.S. Gugliani: Okay. That's all.

Benno Morlock: Okay, I would request the Managing Director, Mr. R. Krishna Kumar to give the answers to the queries of the shareholders, if possible.

Mr. R. Krishna Kumar: Thank you Chairman. First of all, thank you all shareholders for your kind words of appreciation. On behalf of the Board and the employees, I humbly accept the same and also making some valuable suggestions on how to utilize the assets available to the company. We thankfully receive those suggestions, and we will keep it in our mind when we as a Board will evaluate our options available to the company.

And now coming to the questions raised by our shareholders, there were some questions from the overall paper industry and how our customers are evaluating their options of expansion and how it will influence our business. At the outset, let me tell you that our business will be positively influenced if the overall production capacity of paper is increasing in the country. So, if our customers are investing into new lines, where they will produce more paper, they will need consumables which is being the product of our company. So, in that way, we will increase our sales and overall profitability, because we can utilize the same assets.

And, there was a question on the overall growth percentage, I cannot exactly predict that, but normally paper industry follow the Indian GDP growth percentages. It's not ahead of the GDP growth, it is behind, generally 1% to 1 ½ % behind the GDP growth rate. So, you can guess what could be the future of the paper industry.

There were questions about various segments of paper and how it is influencing our business. Yes, Covid pandemic time, unfortunately many offices and educational institutions were non operational or not in regular working mode. So, that has influenced negatively the white grades of printing, we call it graphic grades, but that vacuum was taken over by the other grades, because of increased e-commerce usage by the population as well as the pharmaceutical industry working over time, they need packaging. The packaging segment has increased their production rates, which has resulted in positive impact on our product demand, so that way we could cover the last 2 years. There was a question from a shareholder that last 2 years order entries remaining stagnant, it must be kept in mind that this was unusual times, maybe once in our lifetime situation of Covid, but still our company could manage to meet the targeted levels of those years. It is commendable contributions from our employees as well as our customers' trust on us.

There were various questions on capacity utilization, capex, allocation, etc. We took shareholder approval for expanding the capacity by 30% from the period in which we took approval, so that

30% capacity increase is what we are targeting with this capital expenses. But, let me reassure you, all the investment is not only going for capacity increase, it is also quality improvement. Both will be the result of our capital expansion, which we expect to complete, provided the foreign experts travel to India is opening up, by March 2022, if still the travel is not opened up, then we might expect a delay in that.

Regarding the questions on the export revenues, we as a company is catering to the Indian market, predominantly, as well as our neighboring countries in South Asia. Earlier, Pakistan was also a market but due to trade embargo, there is no business to Pakistan, but rest of the markets are being catered by your company. But the questions to other countries, yes, being part of the Voith Group as and when our other sister organizations need a product which is manufactured by your company, they approach us and we, through that network, can access the customer base in all the markets abroad. But that decision is by the customer as well as our sister organizations in those respective regions.

There was a question on the moulded packaging, cutlery etc; even though it is our customers, it is not directly influenced by us. It is customers' final products. Yes, one sustainable option evaluated by the paper industry is replacement or substitution of plastic as a packaging material. Globally there are lot of innovations happening in that space. Voith as an entity is globally partnering with lot of our customers in that segment. Your company Voith Paper Fabrics India Limited is not directly contributing to that, but once those are developed by our sister organizations, their consumable demand will be met by your company, so that way it will be indirectly contributing to our growth in the future.

There were questions on royalty. On the percentage review, what is gained out of it, etc; I clubbed everything and answer, this royalty, we paid to our group company for the technology transfer, technical know-how on the process and products of our company. So we gain a lot from that partnership and we have to pay a fixed percentage of our turnover. It is not that it is evaluated or reviewed every year. It is a fixed percentage of our turnover which we have to pay, if our turnover is improving, then the outgo will also be commensurate to that.

Then, we as a company is in the paper machine clothing segment. So, whether it is technical fabrics, felt etc. are an element within that overall, over-arching term of paper machine clothing. So we cater to the complete product portfolio of paper machine clothing from your company. And in case we do not manufacture a certain product for a specific position, we are also bringing in products from our sister organization, that is part of that trade, we show it as trade because it is not manufactured by your company. Because it is not in our range for the time being, but we can access Voith portfolio in other countries and bring that product finished, so, that it is specifically fitting into a customer position. But those are the elements in trading, if we don't make it, we bring it from our sister organizations.

On the cash, some of the shareholders gave us valuable suggestions about bonus, share split, etc., which is of course, these are opportunities available to the company. So, in the right time, Board will be brainstorming on that.

On the land utilization, yes, we have land, but we would not like to comment anything specific, which is business sensitive or price sensitive in nature but the current land available is being utilized by the company for the business purpose only.

On the consumption front, yes, there are different types of paper whether it is newsprint, writing and printing, copier, packaging, folding box board, SBS, tissue, speciality grades, banknotes. Depending on the paper machine speed and the raw material used, the other elements going into the paper making process, our products' life varies, it depends, so I don't want to use that reply that it depends. Of course, if the speed increases, our product life will be limited to, may be, certain weeks, but on the slow speed machine, it will be operating for a certain months. So, depending on case to case, our product life is achieved by our customers. But there was a question, what are the competitive factors being considered by our customers? Yes, they are finished product qualities, their machine efficiency when they use our product and the kind of technical support our team is able to provide. These are the major factors our customers consider when they evaluate us against competition, So, since, we score high on those elements, our market share is the highest in the country. We put in all efforts to maintain it at that level and grow.

There was also questions on competition. We would not like to comment anything on our competition. We wish all of our competitors, all the best, because we need competition, to be innovative and improve the industry. So, I would not comment about their investments, etc., we wish them all the best.

And on our market share on Voith machines as well as other competitors' machines, let me tell you, Voith supplied the first paper machine in India in 1923. Since then, there are many Voith paper making lines operating in the market but that is not covered by, as a sales by your company, we are only in the consumable space. We have an advantage in our own machines because we have the total know-how from our colleagues so that we can serve our customer better, but that is not a limitation in any other machines. We have high market share in other machines, whether it is locally manufactured by fabricator type of companies or even global brands. We have high market share in the consumable space, so that is not at all a limitation who supplied the original equipment.

Then, top 10 customers, how many customers where added or we could not serve in last years, these are price sensitive, business specific information but generally, I will answer that we are not dependent on any top 20 customers, even though they are our top customers. We are sufficiently spread and there is no risk dependent on one customer. We cater to entire paper industry of the country, so that way there is no major risk.

Then, there were some questions on tissue. Yes, the tissue consumption is going up in the country but let me tell you, India is not producing that much tissue within the country. Our converters in the country are bringing in manufactured tissue rolls and then they are converting it into tissue. So, since the demand is increasing, we expect that in the coming years, new lines of tissue will come in the market and we have specific technology to cater to those segments and that will contribute positively to our future top line as well as bottom line. Currently, the tissue market is insignificant in India.

There was a question whether this market is price sensitive. Absolutely, it is price sensitive. So we have to offer value for the customers to get the right price from them, so we do that. That is why, we are able to maintain the margin. We hope to maintain it, with all the support.

Regarding manpower, yes, we recruit manpower and train them in-house based on the product and process demands. If there is a reduction in manpower, that could be due to effective use of manpower, that could be the reason or maybe some of them have superannuated from the service and we could manage those process with automation. And on the contractual manpower, it

fluctuates depending on the need basis during the year, so I would not be able to specify a certain number.

There was a specific question from Mr. Mahesh Chandra Agarwal about Capital work-in-progress written off. Yes, we had to write off a machine we thought of installing, but due to technology change, we preferred an alternative technology, and we decided that machine can be written-off. The same thing is reflecting in his question related to capital work-in-progress disposal. There was a question written to us, adjustment during 2019/20, which is of prior year not the year under our discussion. We had to write off a machine and that is reflected in the disposal and addition. So disposal and additions are different, you understand that very well. So, we have added machines, but there was already a capital work-in-progress which was written off, so that is shown under different line items in the annual report under section, refer Note No.3.

There was a question on loss of allowance for doubtful deposits of Rs.12.5 lacs, this is referring to an open balance with the customer under liquidation, so we have provided for, the customer is non existing. So, during corona times, many customers were not operational. So, only those customers we lost as an account for the time being. Once they restart their operations, they will come back to us.

Regarding export queries, I had already commented on the export, is mainly to Bangladesh, Sri Lanka etc. as our own market. Rest of the countries we supply through our sister concerns.

Communication expenses, there was a question, of course, all of you understand that we were working through a different mode in the last two years. Last one year intensively, working from home, working remotely, but we have to have ease of operations. We have implemented certain new software for our team and this has resulted in higher communication expenses during the year under review.

Name of associate companies and the business is clearly stated in the Note 36 of annual report. Kindly refer to the same and on felts there was a question. Yes, we deal with the paper machine clothing and felt is one of the constituent of that.

Capex, I had already answered. Cash, various shareholders asked about utilization as well as various opportunities. This is currently retained for our future demands. What we are planning is that, whenever there is a requirement, we can take a quick decision, implement the same with your approvals. Otherwise, we need to go to the same bank who is enjoying our money, but their terms will be totally different, which may not be conducive for our business.

Regarding market share, specific comments, I would like to avoid, but yes, we are having a very high market share in all the segments where we are operating, with the support of our customers. We would like to maintain the same and grow of course, some of the shareholders asked about packaging industry, IOT, R&D. R&D regarding substitution of plastic is a growth driver for the paper industry across the world and India is not different. So here also, there are some developments happening which will contribute positively to our business.

There is OEM and replacement market, there was a question from the shareholder who spoke last, and I would like to tell that our product is a consumable, so whether it is supplied to the OEM or immediately in the next phase, we need to supply to the end customer. So it is not differentiated

whether OEM or replacement market. Ours is a continuous consumable, which is needed for making paper of all types.

Our basic raw material falls in the category of nylon and polyesters, etc. So, that is globally traded commodities and since most of our raw material is of imported origin, yes, we are exposed to forex and the fluctuations and we need to hedge the same which is also clearly stated in our annual report.

So, outlook, overall quite positive because we have tested ourselves in the most severe situation of pandemic and we came out much unhurt, I would say. So that means we are fully prepared to face the future and grow our company together with all of your support.

Chairman, these are the questions I could take note of. Mostly, I think I have covered. If any other director think that I need to answer something specific, please advice me.

Ravinder Kumar: I think that's very well covered.

Saket Kapoor: With your permission, Can I ask a follow up Sir? This is Saket Kapoor.
Mr. Kumar.

R. Krishna Kumar: Yes please.

Saket Kapoor: Yes,. Thank you sir. Sir, firstly, this 30% capacity increase which you just articulated. This will happen for this year, on whatever was our installed capacity earlier we are going to grow 30% at a go or this is going to come phase-wise?

R. Krishna Kumar: Thanks for the question. No, it is not immediate, because we will follow our customer's growth. So, Indian paper industry is not growing at 30% annual growth rate. That is what I mentioned, the Indian paper industry grow as a, what they call it, follower of the GDP growth rates, so if Indian industry is growing or GDP's is growing at 8%, then may be Indian paper industry will be at 7% or 6.5%. So, of course, there are certain opportunities for gaining market share, not only market growth, so that way, that could be the percentage growth we can expect not 30%. But once we install a new machine or a new line that has an inherent capacity, you know. From that point of view, Overall capacity will grow to that level but across certain years, we will completely utilize those available capacity, not immediately.

Saket Kapoor: And when will that commercialize, Sir?

R. Krishna Kumar: As I stated that our investment into machines are, it is in the work-in-progress and depending on the foreign experts availability, in early 2022, we will complete the same.

Saket Kapoor: And then lastly sir, on the first quarter performance, if you could throw some light and also on the basis of guiding your investors. But through the business updates and all, if that could be articulated going forward then the interest which investors have, not only at the AGM, should not only be the medium wherein we would express our views or get the feedback from the management. Rather an open forum, like conference calls, are part and parcel of corporate, if it is well aware everybody. So, please do the thought process on that also and please explain.

R. Krishna Kumar: Our June quarter results are already published. So, you can form your own opinion based on that but as operational management, we do not provide or give any guidance ever.

Shlok Dave: Thank you Sir, this is Shlok Dave. What my good friend Saket bhai said, I would just like to add one quick, atleast conduct the AGM online next year.

R. Krishna Kumar: We missed to see all of you in person. That is what Chairman also stated that he would love to see you in person next time. So if the situation permits, we would prefer a face to face meeting. But if the situation is continuing like this, I'm just taking my personal opinion, my other directors and Chairman has to consent, if the situation is same, which I don't prefer, then it will be online. Otherwise we would love to see you in person.

So, if I answered all your queries as well as the follow-up comments and questions satisfactorily, I would now propose a vote of thanks to the Chair and request the Chairman to formally close the meeting.

Benno Edmund Morlock:

Thank you everybody for your participation in this virtual Annual General Meeting.

Members attending the AGM today, who have not already casted their vote by Remote E-voting may cast their vote on the E-voting platform now. The platform for E-voting shall remain open for further period of 15 minutes after the conclusion of this AGM.

The Board of Directors has appointed M/s P.C. Jain & Co., Practicing Company Secretaries, as the scrutinizer, to compile the results of votes cast by Remote E-voting as well as votes cast by E-voting during this AGM.

Further, I hereby individually authorize the Managing Director, Mr. R. Krishna Kumar and the Company Secretary, Mr. C. S. Gugliani, to receive the scrutinizer's report and declare the result of voting in accordance with the requirements of applicable statutory provisions in this regard.

On behalf of the Board of Directors, I convey our sincere thanks to all the Members for attending and participating in this meeting. Stay healthy and safe. I hereby declare the Proceedings as closed.

Thank you.
