

Transcript of 33rd Annual General Meeting of Kriti Industries (India) Limited held on 28th August, 2023 at 3:00 P.M.

Good afternoon, ladies and gentlemen !

On behalf of Kriti Industries (India) Limited. I Rajesh Sisodia extend a warm welcome to all of you at the 33rd Annual General Meeting of your company.

In accordance with the circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, this meeting is being held through video conferencing without the physical presence of the members at the common venue.

Required quorum is present through video conferencing, and therefore I call the meeting to order.

I thank you all for joining us virtually.

Before we proceed further, I would like to introduce the board members, key managerial personnel, auditors and scrutinizers of the company joined through the video conferencing.

- 1. Shri Shiv Singh Mehta**-Chairman and Managing Director. He is also the Chairman of Corporate Social Responsibility Committee.
- 2. Smt. Purnima Mehta**- Whole Time Director of the company.
- 3. Shri Saurabh Singh Mehta**- Non-Executive Director of the company.
- 4. Shri Rakesh Kalra**- Independent Director of the company. He is also the Chairman of Nomination And Remuneration Committee of the company.
- 5. CA Manoj Fadnis**- Independent Director of the company. He is also the chairman of Audit Committee of the company,
- 6. Shri Chandrasekharan Bhaskar**- Independent Director of the company. He is also the Chairman of Stakeholders Relationship Committee of the company.
- 7. Shri Hitendra Mehta**- Independent Director of the company.
- 8. Myself, Rajesh Sisodia**- the Chief Financial Officer of the company.

9. Shri Tanuj Sethi Company Secretary of the company,

10. M/s. Rakesh Kumar Gupta and associates, statutory auditors of the company through partners CA Mr Puneet Gupta.

11. M/s Ajit Jain & company, Secretarial Auditor of the company through Mr. Ajit Jain.

12. Mr. Ishan Jain, Practicing Company Secretary (FCS-9978 & CP No. 13032) scrutinizer of this general meeting.

All the directors of the company at are present at this annual meeting through video conferencing.

At the outset with the permission of chairman, I would like to mention certain points regarding the participation and voting at this meeting.

- In pursuance to the Circulars issued, the Company has e-mailed the Notice for convening today's meeting along with agenda and resolutions along with annual accounts and Audit Report for the year ended 31st March, 2023 to all of you and I am sure, you must have gone through the same.
- The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements required to be kept at the Annual General Meeting have been made available electronically for inspection by the members during the AGM.
- Since this AGM is being held through video conferencing, the facility for appointment of proxies by the members is not applicable and hence the proxy register for inspection is not required to be made available.

- There is no qualifications, reservation, adverse remark or disclaimer in the Auditor's Report and Secretarial Audit Report.
- All the members who have joined this meeting are by default placed on mute by the host, to avoid any disturbance from background noise and to ensure smooth and seamless conduct of the meeting.
- Once the name of Speaker shareholder is called, the person will be unmuted by the host to enable him/her to speak. Before speaking the shareholder is requested to click on the video as well as the audio icon appearing on the screen to switch it on and if for some reason the shareholder is not able to join through video mode, he/she can still speak by using the audio mode.
- While speaking, we request shareholders to use earphones with microphones so that they are clearly audible. If there is any connectivity problem at speakers end the host will mute such speaker and the next speaker will be invited to speak.

The company has received request from a member to register him as a speaker at the meeting. Accordingly, the floor will be open for this member to ask questions or express his views or questions.

It may be noted that company reserves the right to limit the number of members asking questions, depending upon availability of time at the AGM.

I now request Shri Shiv Singh Mehta, chairman and managing director of the company to deliver his address to the meeting.

Welcome Sir !

Shiv Singh Mehta:-

Dear Shareholders,

Good afternoon!

In accordance with circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India today, this meeting is being held through video conferencing. I would like to welcome you as well as extend my personal thanks for sharing your valuable time with us.

Business of the company and performance:

The year under review was among the difficult times. The year was unprecedented in terms of challenges on account of major fire that took place in our manufacturing facility on 28th April, 2022 which coincided with the peak season. Loss was not merely financial, there was a loss of market presence. In addition company incurred substantial value erosion losses on the inventories which were held for the main season as prices of the material sharply decline during this period.

This was the time for operational claw back. We had not only to resume operations but took decisive steps to improve plant, balance equipments and capacities to generate superior through put. We looked it as an opportunity to improve and digitize our operations.

Company improved its performance significantly from the 3rd quarter and went on to report a handsome recovery in the 4th quarter.

During the financial year 31st March 2023 your company has achieved on a standalone basis and operational turnover of 732 Crores as compared to operational turnover of 544 crores in the previous financial year. The company incurred a loss of 23.40 crores as against profit of Rs. 14.03 crores in the previous financial year.

On consolidated basis your company has achieved an operational turnover of 732 Crores as compared to operational turnover of 544 Crores in the previous financial year and Loss of Rs 23.40 crores as compared to profit of Rs, 19.93 crores in the previous financial year.

Appreciation

I acknowledge with warm appreciation the active contribution and dedication of the company's personnel at all levels who have stood with the company and have made significant efforts in the times of difficulties. I also take this opportunity to express her appreciation and thanks to bankers, shareholders, customers, suppliers and business constituents for their support in these times of crisis. We will always look forward to your continued support and guidance.

I thank all the colleagues on the Board for their encouragement and continuous guidance.

I am confident with our efforts your company will be able to achieve higher goals in the years to come.

I look forward to your continued support, trust and confidence. Thank you.

Now I handover the further proceedings to Mr. Rajesh Sisodia to continue on my behalf.

Mr. Rajesh Sisodia:-

Thank you very much Sir.

Business at the 33rd Annual General Meeting

As the notice is hereby circulated to all the members, I take the notice convening the meeting as read. There are 4 ordinary resolutions under ordinary and special business on the agenda for this meeting.

The company has provided the facility to cast the votes electronically on all resolutions set forth in the notice.

Members who have not cast their votes through remote voting and who are participating in this meeting are having an opportunity to cast their votes during the meeting through the E voting system provided by Central Depository Services Limited (CDSL).

The remote e voting period for 33rd AGM commenced on Friday, 25th August 2023 from 9:00 am and ended on 27th August, 2023 at 5:00 P.M.

We now take up the resolutions as set forth in the notice.

Item No. 1: To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements containing the Balance Sheet as at 31st March, 2023, the Statement of Profit & Loss, Statement of Cash Flow, Change in Equity and notes thereto of the Company for the Financial Year ended 31st March 2023 and the reports of the Board of directors and Auditors thereon as on that date.

Item No. 2: To appoint a director in place of Mr. Shiv Singh Mehta (DIN 00023523) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

Item No. 3: To ratify the Remuneration payable to the Cost Auditor Mr. S.P.S Dangi, Cost Accountant.

Item No. 4: To approve the transactions/contracts/arrangements with related parties under Regulation 23 of the SEBI (LODR) Regulations, 2015.

The text of resolutions along with explanatory statement is provided in the notice circulated to the members.

Mr. Ishan Jain, company secretary is appointed as scrutinizer for scrutinizing the remote evoting process as well as voting system at this meeting. The results of the evoting or voting at AGM will be declared on the receipt of scrutinizer's report and placed on company's website. BSE Limited and NSE Limited website and on the website of central Depository services India limited within 2 working days of conclusion of annual general meeting.

Pursuant to the provisions of section 107 read with section 108 of the Companies Act 2013, there will be no voting by show of hands at this annual general meeting.

I now call upon the speaker member.

I request the speaker to announce his name before asking any questions or expressing his views.

We have speaker member Mr. Dhwanil

Mr. Dhwanil:-

Yes, thank you so much for your time, sir.

Sir, my first question is regarding the growth. In the annual report you have mentioned that we will have 20% growth. But, I mean, we know where the monsoon is and, you know, the monsoon is far lower than long term averages this year. So now obviously the 1st part of the season is gone and q3 is now upon us. So, what do we still stand by it in terms of that growth number?

Shiv Singh Mehta:-

Q1 results are already with you and you must have seen significant growth in terms of overall numbers as compared to Q1 of last year. Crops condition, so far is good. And we are still not through the main cropping cycle. So, we will have results only by October. How is that?

First that is Ravi Crop is and subsequently on the Ravi Crop what kind of effort/impact we see. However, as you would have noticed that we're focusing not building material. Where we are seeing growth and building material is not affected directly by monsoon. So, we are quite hopeful and optimistic at the moment that we should be able to do well, and achieve our numbers.

Mr. Dhwanil:-

And sir you have also talked about doubling our sales in BP and obviously you know we are a late entruct in this industry with significantly larger competitors and really appreciate the team that you have built and the 2nd and 3rd layer that has been built for marketing of BP. But can you talk about a, the change, which has happened in terms of sales force in BP and the kind of expansion that we are looking at in BP in general and what are your aspirations with BP over next, this year and over next 3 years?

Shiv Singh Mehta:-

As you would know, we are late entrants in BP and today, what we have is a very small base. So, growing on a small base is comparatively easier and doable so we are quite comfortable with the current prospects and the journey we have traveled in the last 4, 5 months that we clearly see our ability to almost double our turnover from what we did last year.

Going forward, building material offers a sustained volume throughout the year, because it is not cyclic and weather dependent. So we are quite positive and our plans have been already shared in our investor calls and earning calls.

Mr. Dhwanil:-

Right sir, and just last 2 questions

1 sir, as far as margin is concerned on a longer term basis is it fair to assume that Agri piping will remain the lowest margin business for us with High single digit, BP at a certain scale will start becoming 12-13-14% margin business and industrial will be somewhere in the middle. Is that a fair assumption that one should have from our business?

Shiv Singh Mehta:-

Building material over period of time will certainly offer better margins as compared to industrial supplies or agriculture, but within industrial supplies in agriculture there could be times when agriculture will offer you better margins as compared to industrial supplies.

Mr. Dhwanil :-

Right, Sir, if we go back to one of and this is my last question, if we go back to one of our and multiple of our annual reports before 2 years, we've always talked about reaching Rs 1200 crore goal over a 5 year period. And obviously, you know covid happened, and then unfortunately we had fire, but now everything seems to be back on track by, what year like is by next year FY25 a reasonable target for us to achieve Rs1200 crores?

And I can see a broad smile on your face, probably trying to say yes.

I mean, is that a fair estimate to have?

Shiv Singh Mehta:-

See, last time in a earning call, I had shared that after having not achieved what we have said. I have started making projections and claiming certain numbers. We are quite optimistic, as I said, and if you grow at about 15-20%. There is a timeline in which we should be able to see these numbers coming through. But I would prefer not to give any committed timeline to achieve the number 1200 crores.

Mr. Dhwanil:-

But Sir at our page, don't you think 15% growth is not really a aspirational number shouldn't be aspirational for far higher growth act like a very small base that we have.

Shiv Singh Mehta:-

See, we have small base in building material that is building products

And that's where we are these numbers.

In this year and going forward, but agriculture, we have a fairly large base.

And there, I mean, outnumbering these numbers of building will not be possible.

Mr. Dhwanil:-

Okay, sir, thank you so much and best of luck sir and see you next year

Thank you so much.

Rajesh Sisodia:-

Thank you very much chairman, sir for replying in detail to questions and queries raised this afternoon by the shareholder. And I'm hopeful that probably all the queries have been, adequately replied and you satisfied with the reply given by the chairman sir. We have tried to give answer of the questions raised by the member.

It may be noted that members who are yet to cast their vote may cast their votes within next 15 minutes, after which the voting facility at AGM will be disabled by CDSL to allow scrutinizer to process this report.

Now, since all items of the notice, have been duly transacted and there is no other business left. Now I conclude the meeting.

I, thank you all for sparing your valuable time for active participation in the business of your company. I also thank the chairman and other members of the board for sparing their valuable time, and being present in this AGM. Thank you very much once again.

Stay safe. Thanks a lot.