

A very good afternoon ladies and gentleman.

On behalf of Kriti Industries (India) Limited, I Shashank Belkhede as Groups CFO extend a very warm welcome to all of you at the 31st Annual General Meeting of your company.

In view of the Covid-19 pandemic and social distancing norms and in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI this meeting is being held through Video Conferencing without the physical presence of the members, at a 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 for this AGM today.

Now, before we proceed further, I would like to introduce the board members, key managerial personnel, the auditors and scrutinizer of the company who have also join the video conferencing.

the 1st person Shri Shiv Singh Mehta the chairman and managing director of your company Who is also the chairman of CSR committee. He is with us through video conferencing.

Second is Smt. Purnima Mehta Whole Time Director of the Company. she is also present today in this meeting.

Third is Shri Saurabh Singh Mehta who is non executive director of the company.

Shri Rakesh Kalra - Independent Director of the Company. He is also the Chairman of Nomination and Remuneration Committee is also present.

Next person Manoj Fadnis who is the independent director of the company And he is also the chairman of the audit committee of the company, Is also present with us today

Mr.Chandrashekharan Bhaskar is also independent director of the company, and he is the chairman of stakeholders relationship committee of company. He is also present with us.

Apart from the board members we have with us today.

Mr. Kamal Kanodia who is the chief financial officer of the company.

We have with us Mr. Rakesh Gupta who is representing Rakesh Kumar and Associates. who is statutory auditors of the company, He is also present along with Mr.Punit Gupta, Also with us.

and Mr.Ishan jain, a practicing company secretary scrutinizer of this AGM today.

all the directors of company are present at this Annual General Meeting through video conferencing

now, with the permission of chairman I would like to mention certain points regarding the participation and voting process 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, 2021 to all of you and I am sure, you must have gone through the same.

The Register of Directors and KMPs 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 process

Now 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 available.

Qualifications, reservation, adverse remark or disclaimer in the Auditor's Report and Secretarial Audit Report read along with Notes to Accounts and Board's Report are self-explanatory.

All the members who have joined this meeting are by default placed on mute by the host, to avoid any kind of disturbance from background noise and 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 facility 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 offered to speak.

The Company has received requests from a few members to register them as speakers for this meeting. Accordingly, the floor will be open for these members to ask questions or express their views or any questions on working of the company.

It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time today.

now I request the chairman Shri Shiv Singh Mehta kindly deliver his address to this meeting.

Dear shareholders,

good afternoon.

I would like to thank all of you for finding personal time to be present for this annual general meeting of Kriti Industries (India) limited. Last 15 months were full of challenges And disruptions, which were caused by corona pandemic And it had huge impact On business supply, chains and overall operations.

However, every adversity offers new opportunities and organizations have to reinvent themselves to realign, if we can do it well road ahead offers new growth possibilities and your company in this journey made significant efforts to improve its performance and to continue on this journey we look forward to your guidance and support I am pleased to share that the year under review we have made significant strides.

In view of Covid 19 pandemic and social distancing norms and in accordance with various circulars issued by Ministry of corporate affairs and Securities and Exchange Board of India today this meeting is being held through video conferencing.

Business of the company

your company engaged in the business of manufacturing premium quality piping products and accessories and solutions for agriculture, housing, gas distribution, Telecom ducts submersible pipes and casing pipes.

Operations and performance and future outlook

During the Financial Year ended on 31st March, 2021, your Company has achieved on standalone basis a operational turnover of 589.17 Crores as compared to an operational turnover of 534.22 Crores in the previous Financial Year and the Profit after Tax of 38.23 Crores as against Profit after Tax of 19.24 Crores in the previous Year. The profit margin of the company has substantially increased as compared to the previous year. We have been able to demonstrate significant improvement in control of operations and financial cost.

On consolidate basis your Company achieved operational turnover of 589.17 Crores as compared to an operational turnover of 534.22 Crores in the previous Year and Profit After Tax of 36.06 Crores as compared to Profit after Tax of Rs. 18.49 Crores in the previous Financial Year.

With anticipation of good monsoon. the prospects of agriculture industry has improved. We are also anticipating good demand for pipes. Similarly, government has announced many new initiatives In terms of development of infrastructure and this would certainly translate into more possibilities of business through institutions. But in the current environment your company will be very careful in assessing and

keeping a full vigil, because cash flows from the institutional buyers will be very important to observe, and we will take care of such eventualities.

Appreciation

I acknowledge with warm appreciation, the active contribution and dedication of company's personnel at all levels in achieving company's overall objectives. I also take this opportunity to express our appreciation and thanks to bankers shareholders, customers, suppliers, business constituents for the consistent and resolute support.

I would also like to thank colleagues on the board of company for their unanimous support and guidance along with the immense encouragement, which we have received from time to time.

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

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

Thank you and I handover this proceedings to Mr. Shashank Belkhede, Groups CFO to continue with proceedings hereon.

Thank you very much chairman sir.

With your permission now, I proceed with the other proceedings of the meeting today.

As the Notice of this AGM is already circulated to all the members, I take the Notice convening the meeting as read. There are Four Ordinary resolutions and Two Special Resolutions under Ordinary and Special Business of the agenda for this meeting today.

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 the remote e-voting and who are participating in this meeting are having an opportunity to cast their votes during the meeting through the e-voting process provided by the CDSL.

The remote e-voting period for the 31st AGM commenced on Wednesday, 4th of August, 2021 from 9.00 A.M. and ended on Friday, 6th August, 2021 at 5.00 P.M.

We now take up the resolutions as set forth in the Notice:

Item number 1 is regarding receiving and considering, and adoption of this stand alone and consolidated statement containing the balance sheet as the 31st March, 2021 and statement of profit and loss, cash

flow, change in equity and notes thereto of the company for the financial year ended 31st march 2021 and the reports of the board of directors and auditors thereon as on date.

Item number 2 is to consider and declare dividend on 4,96,03,520 equity shares of Re. 1/- each @ 20% for the Financial Year ended 31st March, 2021.

I now proceed to item number 3 to appoint a director in place of Mrs. Purnima Mehta who retires by rotation at this AGM and being eligible offers herself for re-appointment.

item number 4 is to ratify the the Remuneration payable to the Cost Auditors Mr. S.P.S Dangi, Cost Accountants.

Item number 5 is for the purpose of re- appointment of Mr. Shiv Singh Mehta as the chairman and managing of the company for the further period of 5 years with effect from 1st of October 2021 to 30th of September 2026.

And the last item on the agenda today is the to re-appoint Mrs. Purnima Mehta (DIN:00023632) as the Whole-time Director of the Company for a term of 3 years with effect from 1st of July, 2022 to 30th of June, 2025.

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

Mr. Ishan Jain, Practicing Company Secretary is appointed as Scrutiniser for scrutinising the remote e-voting process as well as voting system at this meeting. The results of the e-voting/voting at AGM will be declared on receipt of Scrutiniser's Report and placed on Company's website, Bombay Stock Exchange (BSE) website and on the website of Central Depository Services (India) Limited within 2 working days of conclusion of the 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 first speaker member. I request all the speakers to announce their names before asking any questions or expressing their views.

We take up the questions of all speakers who have registered themselves speaking today in the.

And then we'll try to reply to all those questions once all the questions are complete.

And if some of the questions required for the deliberation or detailed analysis.

We would reply to them separately by way of emails.

1st, they should appreciate the fact.

Now, I request the host.

Ankit Gupta, I'm going asking questions.

1st speaker shareholder is Mr. Ankit Gupta

my name is Ankit Gupta and I'm a shareholder of the company, congratulations to the entire board, and the team of Kriti for a very good performance during FY 21.

Sir, I have few questions on understanding the business, and my questions are as follows if we look at our history, we were largely focused on 2 states M. P. and Rajasthan before embarking on geographical expansion.

And,

you know, in 2018, newer markets contributed 16% of our, 2 in 2021,

new markets contributed 16% of our sales and, you know, we have set an inspirational target of, doubling our revenues by FY 2024.

we also plan to enter new states, like Karnataka and Andhra Pradesh over the course of this year and next year.

So, if you can tell us about how, over the next 3 years, when we double turnover, how will each of these states contribute newer States as well as existing?

If you can give us some broad idea about that? It will be really helpful a new stage that we have entered or that we plan to enter. What is the market size of states?

Like Maharashtra, Telangana, Karnataka and Andhra Pradesh individually for the agriculture pipes that we manufacture and compete with other players.

on the building material side, you know, as we started focusing on that segment and we have aspiration targets for growing it to more than 200 Crores to take over the next 2-3 years.

You know, as we understand that, you know, from our channel checks and distribution channels for semi, urban and rural market to 2.5 inch, product basket is sufficient. And we have already developed products for that.

The key entry barrier in this building product segment is the largest SQS, you need to have big product SQS and a basket to cater to the entire market.

So, do we have that, you know, SQS, ready and products ready to cross the 200 Crores plus inspiration target that we have for building product segment in next 2-3 years?

What is the current SQS in building product segments? And how do we see that growing over the next 2-3 years?

On the same lines on the building product segment we did on a 35 - 40 Crores growth sales from building products in the FY 21. and how do you see the performance of this segment in FY 22?

also will the existing matured markets and agriculture segments, like Madhya Pradesh and Rajasthan, also drive growth for building product segments.

1 more question on the product, and not pure agriculture. We mentioned that in the States, like U. P. and Haryana our focus is on Bore well products and not pure play agriculture products.

Can you help us understand how large is this Bore well market in this two states and how much market share do we plan to garner over there in next few years? Who are the key players in this segment in this respective markets?

my last question is on sprinkler segment, you know, as we seem to be pretty excited about this product and we are pretty confident that it's high margin and can be a scalable product.

So, how big is the opportunity size of sprinklers in the market that we are present and how do you see the growth panning out for us in sprinkler product? Thank you so much.

Next Speaker please. Mr. Dhawani Desai

Hi, my name is Dhawani Desai

Yes sir please speak

Hello hello? You guys aren't able to hear me yes please. Okay.

So thanks for the opportunity and congratulations for a very good year appreciate the efforts done by the entire management team.

So I would keep the question which have already been covered by earlier speaker.

And I will only focus and not repeat the same 1. so, in addition to what earlier people ask 1 question 1 on the. in our approach has been that we will do above the line activities and we mostly focused on below the line activities and activations and things like that. Now, this approach is a sustainable, or is it like, a good enough for us to take it to 200 Crores kind of a number or do we, at what point do we need to start spending money on advertisement and above the line activities?

So that was 2nd question was around our distribution.

If I understand correctly, we have around 20 distributors, and most of them are exclusive distributor with what you indicated in the past, who can help us understand that what would be the contribution of top 10 distributors to our revenue. and also the largest distributor, would be in the range of 40-50 crores, or, you know, around that number or much lower.

Although how does the economics for this distribute and work in terms of ROI or Investment that they need to make what kind of commission structure that they have if you can give some sense as to whether they also make enough money on.

They are not and, 1, logical question is that our, you know.

A significant part of business comes from Q1 and Q3. So what do these distributors do during the remaining time frame, I mean, do they send what do they do with it? So I can spend some time on that part. now, you know. Again on the dealer side, you know, how, as we are entering in new states, you know.

How do we see the growth in our dealership from 2020 today? Where do we want to add dealer, We need to be like, we are in 40, 50, 60 dealers every year if you can get some sense from them.

And then couple of questions, I think the ask our group in past that we have supported our group entity, whenever financial need to inter corporate loan guarantee.

So, in the future also, then maybe such requirements. So, how do we think about that?

I mean, from a shareholder of Kriti perspective, how do we ensure that the interest of the entity is not undermined at the expense of the.

2nd question is about subsidiary Kriti Auto, we have been observing the numbers having remaining in a range for a long time so any plan around that, in terms of either gaining, or what are the challenges that we're facing on that business and how do we see going forward?

Do we need to have any additional capital? Do any major capex that subsidiary can talk about it and the last question. So I think.

Annual report you mentioned that we want to demonstrate steady revenue growth this year, and maybe profitability maybe even higher than the revenue growth but Q1 either a very large quarter for 21 or a challenging quarter for everybody. And especially for Awesome because, you know, that was a significant impact on the Rural side also.

So, despite all this technology, why do we feel confident that we'll be able to demonstrate growth over last year and be able to maintain or improve our market? So.

Thank you. And. All the Best

Mr. Krishna

Any other speaker registered today no, there is no speaker.

So Chairman sir, can you like to say.

Firstly, I would like to thank all the members.

For active concern about your company.

And very positive participation.

I must extend my sincere thanks to the entire team Kriti and the board members because of their effort and guidance.

Kriti was able to perform better in the year under discussion.

they have a few questions I'll try to respond to most of your queries.

1st, you wanted to understand that, which are the States we are trying to expand too.

And what kind of a business potential do they offer Friends? We have been well entrenched in central India there after we went to Western India.

That is where in or down South towards Telangana and Andhra Pradesh.

And these markets, why we went into it, we have made some inroads. We are realizing.

That the potential in the states of Karnataka, Maharashtra and Telangana.

They are much higher than the states of Madhya Pradesh and Rajasthan.

Where we were traditionally focused, so we see a much bigger opportunity in the sense that for any district in a state, like, Madhya Pradesh Rajasthan.

On what you sell in 4 or 5 districts in these states.

You almost get equal and potential in a single district of these developed States.

So this is where we see a good opportunity and that's the general relative business segment.

I hope I have answered your 1st question when you talk to me about Bore Well products.

And U.P. Haryana what kind of a market share we see.

You see, U. P. Haryana have a lot of irrigation.

Through rivers, and that is why the water tables are good.

And generally Bore Well segment is a major source.

For the fields to draw water for their irrigation.

So these States offer good opportunity and company is already put in their products.

By appointing few dealers.

And that's how we are signed to capitalize on available opportunity.

Product ranges are ready, and we are already in market.

And with the extension of market, we see good opportunities in these states.

The 3rd question was on sprinkler and opportunities.

Sprinkler sells well, in certain type of crops.

And since we are now extending our geographical reach.

We are able to capitalize upon these opportunities.

Wherever we are now present, and we will be able to offer sprinklers produced by company to these markets.

Someone had asked about BTL that is below the line effort and ATL above the line effort.

There'll be inflection point till that time we will be more concentrating on BTL.

Because unless you are able to catch on the available.

Volume and that this is, I mean, you are not present in the larger geographical States.

You cannot take full benefit of ATL activities.

So company, we are very watchful about these issues, and we will certainly look at the right time when we will go towards ATL. But yes, we find that the cost efficiency of BTL is far more than ATL this time. You have reasonable presence.

We are asked about top 10 distributors contribution to total sales, and probably the largest distributor.

I am happy to say that company is not dependent on few distributors and we are very widespread because we have intense dealership network spread across.

Because rather than as a distribution is the dealership model.

So our top 10 distributor may contribute about less than 15% of the total sales is not more than that.

And the largest distributor may be contributing about 3% of the total sell 2% to 3% not more.

So question is that we are well spread and we have that way.

Well, distributed network where dependence is not on distributors, but it's a well.

Spread out system we have, we don't pay commissions because we are direct distributors so they are directly in touch with retailers or consumers and selling.

So, we do not have a commission system in place.

Number of dealers, they will depend on the regions we are able to successfully entered and kind of spread. We are able to achieve.

But, yes, suddenly we'll be adding about 20% to 25% dealership every year.

To achieve or targets, that will be the minimum requirement and we are sure that it could even exceed 20% as things progress because of pandemic.

The activities last 1 quarter, and the environment has been challenging, but we are hopeful that if 3rd wave does not come and things settle down.

Of a growth rate, and our efforts will be as per our plan.

there was another question about some inter corporate loans and other areas. Let me tell you we are.

Both the, our companies quite well On a sound footing in terms of its own revenues and its own reserves, so we are not requiring much loan only where 1 of the sister companies.

And given some loan for which you have approved last time, some limits.

Because of surplus money available at a cheaper or a competitive rate. So we had done it was over all financial benefit that we had seen and accordingly it was planned.

Why do we feel that revenue growth will continue?

Our experience is that there is a lot of demand in the market because.

In all the commodity prices have been on upside.

And most of the rural area, the expenditure has come down because of many social and other events where they normally spend a lot of money.

So, the net retainer means at the farmer and much positive more, and they are willing to invest into infrastructure.

So, with this kind of observation we have, we are very optimistic.

That not only the demand, which is regular growth.

But the Pentium demand of last 2 quarters.

Because of pandemic, which was not realized into actuals.

Will be seen for the 21 someone had said that yes, 21 was very challenging.

Because this time, it was a very difficult, a different situation than the pandemic last year, but rural areas were equally affected as the urban areas.

And most of the rural areas were under lock down and most of the companies.

At we're facing problem, because dealers, retail outlets are closed.

Most of the places, so, 1st quarter was very challenging.

But we are hopeful that, since now pandemic has come down and commercial activities have begun.

We feel and we are quite hopeful and optimistic with good rainfall as we are seeing all across.

The crop condition is healthy so far, and with.

Kind of momentum we are seeing, which we are even into 1st to 15th of April before we get struck.

We are very sure that coming months should be very.

Progressive and aggressive. I hope I have answered your questions.

There was 1 question regarding Kriti Auto.

Right Kriti auto board has considered, that Kriti auto, they're not able to make the company very profitable. We run for last couple of years. We have been trying.

So, company has decided to sell up that property, and we have realized the value of the investment we had made in the Kriti Auto.

thank you very much Chairman sir for replying in detail to the questions and queries raised in this evening by some of the shareholders.

And I'm hopeful that probably all the queries have adequately replied and you are satisfied with the replies given by chairman.

It maybe noted that the members who have not yet cast their vote still, cast their votes in the next 15 minutes.

Activate voting facility of this AGM will be disabled by the CDSL.

Therefore, I request all those who have not been able to cast their votes kindly opt to what within 15 minutes.

Now, since all the items of this notice have been duly transacted.

And there is no other business left. now I conclude the meeting.

And I, thank you all for sharing your valuable time for your active participation in the business of the 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, thank you. Thank you. Thank you.