

Transcript of 42nd Annual General Meeting

Indag Rubber Limited

September 30th, 2021, 03:30 p.m. IST

Company Secretary: Good afternoon Ladies & Gentlemen I, Manali Bijlani, Company Secretary, has joined the AGM through video conferencing, from New Delhi. Before I hand over the proceedings to the Chairman, I would like to highlight following points:

1. Company had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice of this AGM. Members who have not cast their votes electronically and who are participating in this meeting are given opportunity to cast their votes during the meeting, details of which are already shared in the Notice.
2. We have received requests from few Shareholders for registration as a speaker shareholder in the AGM today. Such Members shall be allowed to speak once the Chairman directs the same. We request speakers to limit their speech to 1 minute to give opportunity to other Members.
3. Register of Directors' and Key Managerial Personnel and their shareholding and other Statutory Registers are available for inspection during the meeting, as uploaded on website of the Company at the link provided in the Notice.
4. The proceedings of this meeting are being recorded for compliance purposes.

I hereby confirm that 40 (Forty) Members have joined the meeting and requisite quorum is present. Before the Chairman starts the meeting, may I request all the other Directors to confirm their location.
Ms.Bindu Saxena.

Ms. Bindu Saxena: Good afternoon! I am Bindu Saxena, attending the AGM from my office at New Delhi.

Company Secretary: Thank you Mam. Mr. P.R. Khanna.

Mr. P.R.Khanna: Hi. I am P.R.Khanna, attending the AGM from New Delhi and I have received all papers.

Company Secretary: Thank you Mr.Khanna. Mr. Harjiv Singh.

Mr. Harjiv Singh: Good afternoon everybody! I am Harjiv Singh, dialing in from New York City.

Company Secretary: Thank you Sir. Mr. Shiv Khemka. I think Mr. Shiv Khemka's audio is off though he has joined the meeting. Mr. Vijay Shrinivas.

Mr. Vijay Shrinivas: Good afternoon. I am Vijay Shrinivas joining this meeting from Indag's office at New Delhi, Saket.

Company Secretary: Thank you. Mr. Shiv Khemka, can you hear me.

Mr. Shiv Khemka: Good afternoon everyone! I have joined from New York.

Company Secretary: Thank you. Mr. Anil Bhardwaj, CFO.

Mr. Anil Bhardwaj: Good afternoon everyone. I am Anil Bhardwaj and attending the AGM from my office Indag at New Delhi.

Company Secretary: Thank you. We also have the Authorised Representatives of Khanna & Annadhanam, Statutory Auditors – Mr.B.J. Singh has joined and CS Manish Gupta Ji has joined from RMG & Associates, who are our Secretarial Auditors; from New Delhi. Pursuant to Article 66 of the Articles of Association of the company, I would like to request Sh. Nand Khemka, Chairman cum Managing Director to kindly take the Chair and commence the meeting.

Chairman: Thank you Manali.

Company Secretary: Thank you Sir. Mr. Uday Khemka has also joined, Good afternoon Sir, can you please confirm your presence?

Mr. Uday Khemka: Indeed. Good afternoon everyone! I'm in London, England. I'm alone. I have received all papers in good order. Thank you.

Company Secretary: Thank you Sir.

Chairman: Good afternoon Members, I am Nand Khemka, Chairman and Managing Director of the Company and I have joined the AGM from Switzerland. It gives me great pleasure in welcoming you all to this 42nd Annual General Meeting of your Company. As the requisite quorum is present, I declare the meeting open. At the outset, I wish to express my sympathy and solidarity with all those who have lost their loved ones due to Covid-19 pandemic.

Your Company has also taken initiatives to make sure all its employees get vaccinated. In view of the continuing Covid-19 pandemic, this AGM has been convened through video conferencing in compliance with the circulars issued by the Ministry of Corporate Affairs, which exempt physical attendance of the Members to the AGM venue.

Mr. P.R.Khanna, Chairman of Audit Committee and Nomination and Remuneration Committee; Mr. Harjiv Singh, Chairman of Stakeholders' Relationship Committee; and authorized representatives of Auditors are present at the meeting. Due to prior commitment, Mr. Raj Agrawal, Director of the Company could not attend the meeting.

Company's accounts for the year ended March 31, 2021, along with the Directors' and Auditors' reports, Report on Corporate Governance and Management Discussion and Analysis Report, have already been circulated electronically. There is no qualification, reservation or remarks in the Statutory Auditors Report and Secretarial Auditors Report. With the concurrence of all the Members present, I take them as read.

Shareholders: Yes Sir.

Yes, kindly take it as read.

Please go ahead, yes.

Chairman: During the year, your company had net revenue of approx. Rs. 174 crores as against Rs. 191 crores in the previous year. The profit before finance cost and depreciation amounted to Rs. 20.32 crores as against Rs. 20.71 crores in the previous year.

During the year your Company opted for the Himachal Pradesh (Legacy Cases Resolution) Scheme, 2019 for settlement of Entry Tax matter of earlier years which was pending before the Hon'ble High Court of Himachal Pradesh. The Company settled the case and an amount of Rs. 13.24 crores has been charged as an expense and treated as exceptional item, due to which profit before tax for the year worked out to Rs. 3.53 crores as compared to Rs. 16.72 crores in the previous year.

Operations of your Company were impacted severely by COVID-19 disruptions. Various State Transport Undertakings (STUs) could not resume their full operations, which impacted our business.

During the year, your company declared interim dividend of Rs.0.90 per equity share and a Final Dividend of Rs. 1.50 has been recommend for approval of the Members in this AGM; thus making a total Dividend of Rs. 2.40/- per Equity Share of Rs. 2 each for the Financial Year 2020-2021.

Key changes which took place in the Board members are as follows:

- Mr. K.K. Kapur, after serving on the Board of your Company for 20 years, completed his term as Whole Time Director and CEO on May 31, 2021 and ceased to be the member of the Board. We place on record our appreciation for the contributions made by him.
- Mr. Vijay Shrinivas, was appointed as Additional Director and Whole Time Director & CEO with effect from June 01, 2021 and the same is recommended for the approval of the shareholders in this AGM.
- Mr. Raj Agrawal, was appointed as Additional and Independent Director with effect from June 15, 2021 and the same is also recommended for shareholders' approval in this AGM.
- The Board recommends the re-appointment of Mr. Shiv Khemka as a Director retiring by rotation and fixation of remuneration of Shome & Banerjee as Cost Auditors.
- Mr. Anil Bhardwaj was re-designated as General Manager (Accounts) & Chief Financial Officer of the Company on February 17, 2021.

Brief profile of the Directors has been circulated with the Notice of the AGM. The Board recommends all the resolutions as set forth in the Notice for e-voting.

Remote electronic voting facility was provided to the Members which was open from 27th September, 2021 to 29th September, 2021. Members, who have not cast their vote through remote e-voting, may cast their vote.

Voting results will be announced on the website of the Company and Stock Exchange on receipt of consolidated report from the Scrutinizer. Members, who have already registered themselves, may now speak one by one. Now, I may please request the Company Secretary to announce names of the members who wish to speak.

Company Secretary: Thank you Sir. We have received the first request from Mr. Eshit Seth to express his views. Mr. Eshit Seth.

Shareholder: Hi Good Afternoon! First of all, I'd like to thank the Board for giving me an opportunity to speak. Sincere gratitude to the entire team led by. Mr. Vijay, has survived this crisis well, and handled it also very well. My....[voice lost]

Company Secretary: Eshit we have lost you somewhere. We are not able to hear you. Are you there? Okay let's go ahead.

Shareholder: Am I audible now? Just one question I had was...[voice lost]

Company Secretary: Eshit, I think you got a low bandwidth, some issues there.

Mr. Uday Khemka: He is getting disconnected. Maybe he could send you the question, which Management can then answer.

Mr. Vijay Shrinivas: Shareholders can use the chat option as well to ask the question.

Mr. Uday Khemka: Here is the question, I can see it. The question is would the remaining CCPS have a guaranteed 15% return? And by when do we expect to utilize full capacity in retreading?

Mr. Vijay Shrinivas: Eshit, thanks for asking this question. Our capacity utilization level is about 50% for PTR. We have been making a lot of efforts in sales and marketing and in reaching out to fleet owners to expand our retailer network. We should be able to reach our target in 3 to 5 years' time, depending on how macro-economic situation supports us. I hope that answers your question.

Company Secretary: Thank you. Other registered speaker Mr.Ajay Kumar Jain, request you to please speak. Skyline, please unmute the speaker.

Skyline has shared confirmation that Mr.Ajay Kumar Jain has not joined the AGM. Mr.Rohit Prakash, we request you to please speak.

Mr.Prakash has also not joined, Skyline confirmed. Next speaker, Mr.Rakesh Kumar, kindly speak.

Shareholder: [voice not heard]

Skyline: Mr.Rakesh, you are unmute, please speak Sir.

Shareholder: [voice not heard]

Company Secretary: Let's move to our next registered speaker Mr.Surender Kumar Arora.

As per Skyline, he has not joined the meeting. Next speaker, Mr. Vaibhav Badjatya, request you to please speak.

Shareholder: Thanks a lot for providing the opportunity and I wish all the management, Board, everyone a good health. I just had one question, which I posted on the chat box. If you can answer that and rest of the things are pretty clear to me. Management and the company have been quite responsive in providing opportunities to us to understand the long term business prospects of the Company.

Can you please let us know if the remaining investment in CCPS of SUN Mobility also has a guarantee of 15% return?

Mr. Vijay Shrinivas: Yes, it has a 15% IRR return.

Company Secretary: Thank you. Our next registered speaker Mr.Gagan Kumar, kindly speak.

As per Skyline, Mr.Gagan Kumar is not present the meeting.

Next speaker, we have a question from Ms. Kirti.

Mr. Vijay Shrinivas: Yes, I can see the question from Ms. Kirti.

With new entrants like Maragoni entering in India with new ringtread technology, how does it pose threat to Indag? And where do we see our Company in next 5 years.

Maragoni entering in India with new ringtread technology is a welcome move as the industry overall will progress. Currently, Indian retreading market is 50-50 in terms of organized and unorganized players. And regarding the growth of the company in the next 5 years – in current scenario the drivers and the fleet owners are getting more and more training to handle radial tires which are low maintenance tyres. And by taxation and other things put together, I believe that there is potential to catch up with the replacement market.

Company Secretary: Thank you Sir. I may now request our Chairman to kindly close the meeting.

Chairman: I thank all the Directors and Members who have taken out their valuable time to attend the meeting. I declare the meeting closed. The voting shall remain open for another 15 minutes.