

**Transcript of 41st Annual General Meeting
Indag Rubber Limited
September 25th, 2020, 03:30 hours IST**

Company Secretary: Before we start AGM proceedings, we are extremely sorry to mention that Mr. J.K. Jain, Chief Financial Officer of Indag Rubber Limited has passed away yesterday night due to COVID-19. Mr. Jain was a Chartered Accountant and had served on various positions in Government organizations. Mr. Jain has been associated with Indag for more than 14 years and was a pillar of strength and support. As mark of respect towards the departed soul, may we request everyone to observe silence for 1 minute
(Silence for 1 minute observed by all)

K.K. Kapur, CEO & WTD: Yes Manali.

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. To avoid rush at the time of the start of the meeting, the Members were allowed to join in 15 minutes before the scheduled time.
2. 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.
3. We have received requests from the Members 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 2 minutes for giving opportunity to other Members.
4. 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.

I hereby confirm that the requisite quorum is present. Before the Chairman starts the meeting, may I request all Directors to confirm their location. Ms. Bindu Saxena.

Ms. Bindu Saxena: Good afternoon everyone! I am Bindu Saxena and attending the AGM from New Delhi.

Company Secretary: Thank you. Mr. PR Khanna.

Mr. PR Khanna: ...speaking from New Delhi.

Company Secretary:Mr. Parameswar.

Mr. R. Parameswar: Good afternoon everyone. I am R. Parameswar and attending the AGM from Delhi.

Company Secretary: Mr. Harjiv Singh.

Mr. Harjiv Singh: Good afternoon everybody! This is Harjiv Singh, attending the meeting from Delhi.

Company Secretary: Mr. Shiv Khemka.

Mr. Shiv Khemka: Good afternoon everyone! I am attending the meeting from Switzerland.

Company Secretary: Mr. Uday Khemka couldn't join the meeting. Mr. Kapur.

Mr. K.K. Kapur: K.K. Kapur from New Delhi.

Company Secretary: Thank you very much everyone. Authorised Representatives of Khanna & Annadhanam, Statutory Auditors and RMG & Associates, Secretarial Auditors are also present in the meeting from New Delhi. Pursuant to Article 66 of the Articles of Association of the company, may I request Sh. Nand Khemka, Chairman cum Managing Director to kindly take the Chair and commence the meeting.

Chairman: Good afternoon Members. Once again I'm very sorry to say... to convey our condolences for passing away of Mr. J.K. Jain, as we are passing from a very difficult period because of this unprecedented Covid pandemic all around the world.

Good afternoon Members, I am Nand Khemka, Chairman cum Managing Director of the Company and I have joined the AGM from Switzerland.

It gives me great pleasure in welcoming you all to this 41st Annual General Meeting of your Company.

In view of the outbreak of Covid-19 pandemic, social distancing norm is being followed, and therefore, this AGM has been convened through video conferencing in compliance with the circulars issued by Ministry of Corporate Affairs, which exempt physical attendance of the Members to the AGM venue.

As the requisite quorum is present, I declare the meeting open.

Mr. R Parameswar, Chairman of Audit Committee and Stakeholders' Relationship Committee; Mr.P.R.Khanna, Chairman of Nomination and Remuneration Committee; and authorized representatives of Auditors are present at the meeting.

Manali, are all members present?

Company Secretary: Sir, Mr. Uday Khemka couldn't join the meeting.

Chairman: Due to prior commitments, Mr. Uday Khemka has not been able to join the meeting.

Company's accounts for the year ended March 31, 2020, 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 Auditors Report and Secretarial Auditors Report. With the concurrence of all the Members present, I take them as read.

During the year, your company had net revenue of Rs. 191 crores as against Rs. 174 crores in the previous year. The profit before tax for the year was Rs. 17 crores as against Rs. 14 crores in the previous year.

Company's operations were impacted due to COVID-19 Pandemic leading to operational standstill. Your Company is taking various measures to mitigate the impact of pandemic.

During the year, your company paid first interim dividend of Rs.0.90 per equity share and second interim dividend of Rs.1.50 per equity share of Rs.2/- each, thus making a total dividend of Rs.2.40/- per share.

The Board recommends the re-appointment of Mr. Uday Khemka as a Director and fixation of remuneration of Shome & Banerjee as Cost Auditors.

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 22nd September, 2020 to 24th September, 2020. 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.

Queries received from Members were answered on email. Members, who have already registered themselves, may now speak one by one.

Registered Speakers will speak..Manali

Amarjeet Kumar: I am a happy and satisfied shareholder of Indag. I hope we continue to get dividends for future as well.

Company Secretary: We have got more speakers registered for today

Rahul Gupta: Sir, this side Rahul Gupta. Good afternoon. Respected Chairman Sir, Board of directors and my fellow shareholders. I am very happy to meet all you through this video conferencing platform. I would really like to appreciate our Company for doing good CSR work. You should always give back to the society what you earn. Thank you

Company Secretary: Thank you.

Chairman: Are there any other speakers Manali

Company Secretary: Yes Sir, there are few of them. Mr. Sanjay...Hello.. Mr. Manjit Singh

Eshit Seth: I have three questions for the Management. Thanks for the opportunity. One question was we have a capacity of 20,000 tonnes. When does the Management believes that they will be able to fully utilize this capacity? Second thing over the last five years, Indag and the retreading industry have registered de-growth in volumes and revenue terms. My questions was how has the market share moved in PTR for Indag and how is Indag planning to address the increase in working capital days? What is the future policy of cash flow allocation and dividend distribution policy for the future?

K.K. Kapur, CEO & WTD: Can I take this question? Or Vijay can you answer this, we discussed this sometime ago. Mr. Chairman, can I request Vijay to answer these questions?

Chairman: Yes, please.

Vijay Shrinivas: Thank you Mr. Kapur. Good afternoon. My name is Vijay Shrinivas. I think the first question was around capacity utilization, which is 60%.we have a market share of 20% right now in a market which is degrowing, we have withheld our market percentage. Thank you very much. I hope that answers your questions.

K.K. Kapur, CEO & WTD: Hello! Vijay you may like to answer the second question? When do we expect the capacity to be fully utilized?

Vijay Shrinivas: In two years' time because of Covid and because there is lot of ambiguity around it. Once things gets back to normalcy, our best optimistic target is that in two years' time, we'll be able to hit our full capacity.

K.K. Kapur, CEO & WTD: I hope the questions of the speaker have been replied to. Manali.

Company Secretary: Sir, there is one more question. What is the future policy of cash flow allocation and dividend distribution policy.

K.K. Kapur, CEO & WTD: There was dividend policy. Well, I will say one thing we have been following one policy. It is not the allocation of the surplus available, but that we must be consistent in our policy regarding dividend that we pay per share that has been Rs. 2.40/- i.e. two hundred and forty percent of the old price of share. Every year, the profits have been increasing or decreasing etc, but we have consistently followed this policy of Rs. 2.40/- of dividend per share and we hope to do so in future also. And in case the profits increase substantially, consistently over some period, maybe we can decide of revising it. But, this is the policy right now.

Company Secretary: Next speaker is Mr. Vaibhav Badjatya.

Vaibhav Badjatya: Good afternoon everyone. I am Vaibhav. Am I audible?

Company Secretary: Yes you are audible.

Vaibhav Badjatya: There is background noise, if that can be managed please. I have 5 questions to ask. First, Company has sharp turnaround....post 2006...was the turnaround of company post 2006 was due to tap benefit interest cosmetic plan...or due to change in business model...stringent product sales. Second, can you please explain key drivers of retreading industry in detail? Third, Company has witnessed sharp jump in growth during FY'09 to FY'18, what has begun the company's growth from 2009 to 2012? Fourth, is the cycle of growth...dependent upon procurement of vehicle cycles, is this the reason we witnessed sharp growth from 2009 to 2012? Is retreading motivation high when oil price are high and consequently the vehicle price and vice-versa? Thank you.

K.K. Kapur, CEO & WTD: The previous years, I think you're referring to 2009 to 2012 years where the economy was also gray. This is one reason. Secondly, we had the benefit of excise duty combined with that. We were able to push out some of the existing legacy. I don't want to name them. Some of the people they have info that they're also finding are fighting back, which was able to push them out. We had that advantage that we were able to push them out from a number of areas. Now, when it comes to solve their investment very well and tries to push them out of that, or to make they shared less than what they have been enjoying, that is somewhat difficult exercise. But we are trying our best. We hope that in a couple of years, we'll be in a better position into this, all forty five percent of the market in the beginning. We're fighting North, East and West. Now, we are fighting the vitals. We hope we hope that we'll be able to make this better and I will share that with the market overall. I hope I have answered the questions.

Vaibhav Badjatya: I have not been able to get all the answers...there is background noise.

K.K. Kapur, CEO & WTD: We tried on Monday, things were fine but today certain noises we can't control.

Chairman: Mr. Kapur, you can talk to the gentlemen, one on one on the phone outside the meeting, if required.

K.K. Kapur, CEO & WTD: You are most welcome. I'll be very happy to answer all your questions, because as you will see, the communication is not very clear. There's a lot of noise in between, my request that my number is available, and you can talk to me at lunch and we very happy to answer all your questions. Will it be fine?

Vaibhav Badjatya: Yeah, definitely. Sir thank you very much. Thank you.

Rajesh Malik: This is Rajesh Malik. Respected Chairman and all board members and directors and all my fellow shareholders. First of all, I would like to thank you all for the achievements of this year in spite of business difficulty faced due to the pandemic. Best wishes to the management staff and employees for their endearing effort and best performance in the coming year. I hope everyone should stay safe in this tough time. Thank you.

Company Secretary: We have some more people Mr. Gagan, Mr. Lalit, are you there?

Gagan Kumar: Am I audible. I have joined this meeting from Delhi. Chairman, Board of Directors and Shareholders, I wish we have our next meeting physically to avoid technical issues. Please let us me know how can we overcome the problems faced due to Covid and what strategy we have developed to improve our financial results. I am thankful to your Secretarial Team which has helped me connect through this new portal and have made this meeting possible. Thank You.

Chairman: Mr. Gagan Kumar, thank you very much. You understand and you described it very well that we are all going through very difficult period because of this pandemic and we have this lockdown, we have logistics problems, supply problem, all sorts of problems and despite that, the management and all have done their best and continue to do the best to keep the operations going. And we have lost certain share of the market as a result of certain logistical issues and we hope we can we can revive back as soon as the economy revives and the conditions are safe. Thank you very much, I will show you that everyone in the company is doing their best to produce the best results possible.

Sarabjit Singh: Hello. Thank you. Sir, I request for physical meeting next time....

Chairman: Definitely.Let's pray to God to improve conditions and hopefully let's connect like before and have meeting in person.

Sarabjit Singh: Thank you. Thank you very much. Keep safe. Stay safe. Look after yourself and your family members. Thank you.

Company Secretary: Okay, anyone else who wants to speak up? Okay, so there are no other people. Thank you very much everyone. 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. Thank you very much.