



Maral Overseas Limited



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TRANSCRIPT OF 35TH ANNUAL GENERAL MEETING OF MARAL OVERSEAS LIMITED HELD ON TUESDAY, 27TH AUGUST, 2024 AT 02:00 P.M.

Shri Sandeep Singh: Good Afternoon, myself Sandeep Singh, Company Secretary of Maral Overseas Limited participating from Noida, welcome you all in the 35th Annual General Meeting of the Company. Pursuant to MCA and SEBI circulars, this meeting is being held through video conference, other audio-visual means without the physical presence of the members. The deemed venue for AGM shall be the registered office of the Company at Maral Sarovar, village and post, Khalbujurg, Tehsil Kasrawad, district Khargone, Madhya Pradesh.

Shri Shekhar Agarwal, Chairman and Managing Director and CEO will chair the meeting. Shri Shantanu Agarwal, Joint Managing Director and for Independent Directors, Dr. Kamal Gupta and Smt. Archana Capoor and additional Independent Directors appointed in the previous Board meeting, Shri Raman Singh Sidhu, Shri Amitabh Gupta and Smt. Romi Jatta are present in the meeting.

In compliance of the provision of the companies Act 2013, read with the relevant rules and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, remote e-voting facility was provided to members, started from Saturday, 24th August, 2024 at 9:00 AM and ended on Monday, 26th August, 2024 at 5:00 PM. The Company is also providing e-voting facility during the AGM to enable the members to cast their vote who have not done through remote e-voting. Further, the Company has appointed Smt. Manisha Gupta, Practicing Company Secretary as the scrutiniser for the 35th AGM to scrutinise the remote e-voting including e-voting during the AGM, process in a fair and transparent and efficient manner. The voting results will be declared within 48 hours on or before 29th August, 2024. The results along with the scrutiniser reports shall also be submitted to the Stock Exchanges, NSE and BSE and will also be uploaded on the website of the Company. Notice of 35th Annual General Meeting and Annual Report for the financial year 2023-24 were mailed electronically to shareholders on 2nd August 2024 at their email address registered with the Company or depository participants. The statutory registers maintained as per the Companies Act, 2013 are kept open electronically for inspection by the members during the AGM. At this moment, there are 34 shareholders have joined hence the requisite quorum is present. Now, I request the Chairman Sir to please welcome and address the members present at the meeting.

Shri Shekhar Agarwal: Thank you, Sandeep. Good afternoon, ladies and gentlemen. I am Shekhar Agarwal, Chairman and Managing Director of your Company, joining this AGM from my office in Noida. I welcome the members to the 35th Annual General Meeting of your Company and would like to mention that in compliance of various circulars issued by the MCA and SEBI, this AGM today is being convened through video conferencing or other audio-visual means. Your Company has taken all feasible steps to ensure that the shareholders are provided an opportunity to participate in this AGM. The requisite quorum is present and therefore, I shall call

the meeting to order. I welcome my other colleagues on the Board of your Company to this 35th Annual General Meeting.

I would now like to ask my members to kindly introduce themselves.

Dr. Kamal Gupta: Good afternoon, everybody. I am Dr. Kamal Gupta, an Independent Director of your Company and Chairman of Audit Committee, Nomination and Remuneration, Stakeholders, Shareholders. I am also a member of the Corporate Social Responsibility Committee. I am joining this AGM from my office at Noida. Thank you.

Shri Shekhar Agarwal: Thank you, Dr. Gupta. Archana ji.

Smt. Archana Kapoor: Good afternoon everybody. Myself Archana Kapoor, an Independent Director of your Company and member of the Audit Committee. I am also a member of Nomination and Remuneration Committee. I am joining this AGM from my residence in Delhi. Thank you, Chairman.

Shri Shekhar Agarwal: Thank you, Archana ji. Shantanu.

Shri Shantanu Agarwal: Good afternoon, everyone. I am a Joint Managing Director of Maral Overseas. I am also a member of the Audit Committee of the Stakeholders Relationship Committee and the Corporate Social Responsibility Committee. I am joining this meeting from Japan. Thank you.

Shri Shekhar Agarwal: Thank you, Shantanu. Shri Raman Singh Sidhu ji.

Shri Raman Singh Sidhu: Good afternoon, everybody. I am Raman Singh Sidhu, Additional Director of your Company. I am joining this Annual General Meeting of Maral Overseas from my residence in DLF Gurgaon. I am on my own, there is no one present in the room at the moment.

Shri Shekhar Agarwal: Thank you, Raman ji. Smt. Romi Jatta.

Smt. Romi Jatta: Good afternoon, everyone. My name is Romi Jatta. I am the Additional Director of your Company. I am joining this Annual General Meeting from my residence Gurgaon. Thank you. Pleasure and Namaskar once again.

Shri Shekhar Agarwal: Thank you, Romi ji. Shri Amitabh ji.

Shri Amitabh Gupta: Good afternoon, everyone. My name is Amitabh Gupta. I am an Additional Director of your Company and I am joining the AGM from Gurgaon. Thank you.

Shri Shekhar Agarwal: Thank you, Amitabh ji. Shri Priya Shankar Das Gupta, an Independent Director of the Company and Shri Ravi Jhunjunwala, Non-Executive Director of the Company, are not attending this meeting due to their pre-occupation. We also have with us Shri Manoj Gupta, CFO of the Company. Let me ask him to introduce himself.

Shri Manoj Gupta: Good afternoon, everybody. I am Manoj Gupta, Chief Financial Officer of your Company. I am joining this AGM from my office in Noida. Thank you.

Shri Shekhar Agarwal: We also have with us Shri Neeraj Bansal, Partner of M/s. S.S. Kothari Mehta and Company, Chartered Accountants. He is our Statutory Auditor. Neeraj ji, kindly introduce yourself.

Shri Neeraj Bansal: Good morning to every respected member present in the meeting. I am Neeraj Bansal, Senior Partner, S.S. Kothari Mehta and Company. I am attending this meeting from Delhi. Thank you.

Shri Shekhar Agarwal: Thank you, Neeraj ji. We also have with us Smt. Arpita Saxena, Partner of Pranav Kumar and Associates, Company Secretaries. Arpita ji, kindly introduce yourself.

Smt. Arpita Saxena: Good afternoon, all. I am Arpita Saxena, Audit Partner of Pranav Kumar and Associates, Company Secretaries. I am attending this AGM from Greater Noida, Uttar Pradesh.

Shri Shekhar Agarwal: Thank you, Arpita ji. We have with us Smt. Manisha Gupta, Company Secretary, as scrutiniser of this meeting. Manisha ji, kindly introduce yourself.

Smt. Manisha Gupta: Good afternoon, everyone. I am Manisha Gupta, Practising Company Secretary. I am appointed as a scrutiniser to scrutinise the remote e-voting, including e-voting at the venue during the AGM, process in a fair and transparent manner for this AGM. I am attending this meeting from my office in Delhi. Thank you.

Shri Shekhar Agarwal: Thank you, Manisha ji.

The annual report for the financial year ended 31st March 2024, containing the financial statements have already been circulated to the members of the Company electronically. With your permission, I take it that you have gone through the same. The auditor's report does not contain any qualification, reservation and or adverse remark.

Now, with your permission, I would like to address the shareholders.

Good afternoon, dear shareholders,

I extend a very warm welcome to you on this occasion of the 35th Annual General Meeting of your Company. It is my pleasure to address you today.

Financial year 2024 has brought more challenges as the business environment still remains volatile and normalcy has still not been completely restored, especially in the international scenario, mainly due to the ongoing Ukraine and the Middle East conflict and the new Red Sea conflict, which has sent ripples across the global supply chain. Furthermore, the slowdown in Europe and certain other advanced economies is predicted to cause exports to rise at a much slower rate of 1.5% in rupee terms during the financial year 2024, compared to the same period last year. Despite the global headwinds, the Indian economy has shown resilience. India's economy expanded by 7.6% in fiscal 2024, owing to strong investments in infrastructure and robust manufacturing growth. The current year's economic growth has continued on a similar trajectory, added by a robust expansion in the mining, manufacturing, construction, and services sectors.

Looking at the year in 2023, major factors driving the market growth include changing consumer preferences and lifestyle trends. As individuals seek comfort, sustainability, and fashion-forward choices, the demand for textiles has increased. Consumers now prefer eco-friendly and recycled fabrics, organic materials, and functional textiles that offer enhanced performance. Besides this, increasing income levels have played a role, particularly in emerging economies, with our domestic market growing faster than the world market.

India is fortunate to have an abundance of raw materials needed to produce textiles. Being a top producer of cotton, silk, wool, jute, and man-made fiber, the nation offers a solid base for the textile sector. However, in fiscal 2024, India experienced a 3.24% decline in its textile and apparel exports, amounting to US dollars 34.43 billion, due to the challenging economic environment explained earlier. Geopolitical tensions in key markets and an uptick in interest rates aimed at managing the cost-of-living crisis led to the decrease in India's exports. India has signed the Trade and Economic Partnership Agreement, TEPA, with the European Free Trade Association in March 2024. TEPA is a modern and ambitious trade agreement, and India signed this FTA along with four other developed nations for the first time, an important European economic bloc. The agreement with EFTA opens doors for the Indian textile industry to access cutting-edge technologies from member countries like Switzerland, which is known for its advancements in machinery and sustainable textile practices. Moreover, the FTA will provide a huge opportunity for Indian exporters to access large European and global markets. These collaborations will help the Indian textile sector surge, secure a bright future.

Looking at the Company's business performance for the fiscal 2024, in our journey of over three decades, we have navigated through numerous economic and business environment-related downturns. Yet, as an organization, we have consistently

demonstrated resilience and adaptability in the face of an ever-changing landscape. This was clearly visible in fiscal 2024, during which the Melange Spinning Unit was commissioned in the last quarter, which is an important milestone in our commitment to enhance our value proposition..... Melange yarn is a popular choice for fashion enthusiasts for its of yarn from a single source. In fiscal 2024, the Company's business performance resembled that of the previous year, as it saw no notable improvement. The squeeze on discretionary spending hit non-essential industries like textile very hard, further pressurising already strained markets. Retailers struggled with surplus inventory and curtailed purchases. It had a crippling impact on the textile value chain in India, which has a significant presence in these developed markets. The combination of shifting consumer priorities owing to economic uncertainty and pricing pressure contributed to profitability erosion within the garments and textile sector.

At Maral, we have been impacted by these developments. Despite reporting sub-optimal numbers at the top and bottom lines, I am satisfied with our relative performance compared to our peers. Our vertical integration provides us the platform to manage the downturn better and deliver improved results in the coming year.

Segment-wise business performance:

Yarn: Since yarn is largely a commodity product business, adversities result in immense pricing pressure leading to margin erosion. The past fiscal was a stark reminder of this vulnerability. Despite the downturn, your Company stood firm, relying on its meticulously cultivated business relationships. These partnerships facilitated a steady flow of orders, keeping the Company's production lines well utilised at an impressive 93%. Going forward, the Company's focus on its meticulously crafted strategic blueprint remains resolute. Its modernization program will continue unabated. It will undertake initiatives to increase the share of special yarns in its product mix to enhance business profitability.

Fabrics: Global headwinds adversely affected the fabric business performance. Reduced demand and consequent pricing pressure impacted business profitability. Notwithstanding the drop in financial performance, the Company is expecting a trend reversal in the near term. In the current year, your Company is very positive about a turnaround in performance in the current year and will focus on enhancing its capacity utilisation of dyed fabrics which generate superior realisation and returns. Your company will also enhance sales volumes of quality fabrics through its recently commissioned continuous bleaching range. Also, the team has innovative plans to optimise the consumption and cost of resources and utilities, strengthening its competitive edge. Furthermore, the growing prominence of knitted fabrics after the pandemic in India and globally presents promising prospects for the Company.

Garment: Our garment division was the first to experience the slowdown as European and American consumers throttled apparel purchases owing to

inflationary headwinds. This resulted in a whittled-down inventory across the channel from retailers to manufacturers. Your Company has secured good orders from its customers in recent years allowing it to endure the storm better. During the year, your Company initiated a foothold in the fashion space sampling some products using its Melange yarn. Sustained efforts in the direction will assist the Company in establishing a strong presence in the high-value fashion segment. In the current year, green shoots of recovery for the garment sector were visible towards the end of fiscal 2024 as the US and EU economies showcased healthy progress. Our company will intensify its efforts to strengthen its presence in the US, European, and Japanese markets. The team will also leverage its sustainability plan to secure higher volumes from brands prioritising sustainability.

There are some of the business initiatives that we have been taking lately.

Environment management: We have made conscious choices that will reduce its carbon footprint significantly, a small contribution towards building a more resilient planet. Your Company has embarked on an investment to deploy sustainable solutions for replacing fossil fuel with biofuel in our boiler and thermopact systems. These solutions will be in the current financial year, making our operations coal free. In doing so, we will create a business that thrives over the long term while contributing to a more sustainable future and also helping us to work with more international and global customers. We will also install rooftop solar systems to replace partially the purchase of conventional energy.

Business Investments: In our three-decade journey, technology has transformed our business in unimaginable ways. Hence, modernization is an absolute necessity to stay relevant to our customers. Your Company invested in upgrading our ring frames with high-tech attachments that enhance the productivity and efficiency of the machines and embarked on a massive multi-year modernization drive on intermediary machines, which will significantly improve man-machine productivity and product quality. Our continuing strategy of positioning the Company at the cutting edge of technology should make a meaningful difference in optimising costs and strengthening our position in an otherwise competitive business environment.

Your Company has launched Aramid mod-acrylic and FR Viscose yarns which form a class of synthetic, high-performance fibers used for producing flame-retardant products. These products are perfectly suited to various industries like automotive, aerospace and defense, where heat resistance and exceptional strengths are vital. In fiscal 24, your Company had sold a good volume of this yarn and hopes to increase volumes over the coming years.

During the year under review, the textile industry faced challenges with weak international demand, particularly in Europe and the US, attributed to inflation and stagnant domestic markets. Additionally, rising costs included increased minimum wages and withdrawal of power subsidies by the government of Madhya Pradesh, added pressure on operational expenses. In fiscal 24, the spinning division operated

in 93% capacity due to decreased demand and low margins in certain yarn types, impacting profitability. Fabric segment was impacted by challenging global conditions and lower customer target prices, leading to lower-than-expected capacity utilisation. Despite this, the fabric segment remained profitable. The garment segment faced challenges due to inflation and decreased orders from international buyers, exacerbated by stagnant domestic demand. Efforts in the forthcoming year will concentrate on optimising capacity utilisation and enhancing operational efficiencies to offset margin pressures.

Financial Performance- FY 24: Your Company achieved a turnover of Rs. 960.06 crores for the financial year ended 31st March 2024 against Rs. 1025.85 crores in the previous financial year ended 31st March 2023. Further, the Company achieved an operational profit of Rs. 59.75 crores for the financial year as against Rs. 34.71 crores in the previous year. The Company recorded a net profit and net loss of Rs. 9.77 crores for the financial year ended 31st March 2024 against a net loss of Rs. 15.93 crores reported in the previous financial year.

Operational Performance - 30th June, 2024: I would now like to talk about the operational performance in the first quarter of the current fiscal. During the quarter, your Company recorded a turnover of Rs. 251 crores as against Rs. 228 crores in the corresponding quarter of the previous year. A net loss of Rs.6 crores was reported as against a net loss of Rs. 14 crores in the corresponding quarter of the previous year. The textile industry continues to face challenges as market demand has not picked up as expected, although there are positive signs in the international market. Further, apparel sales in the European markets, mainly Germany and USA, showed some improvement and USA inflation indicating a sign of recovery as well. Further, the input cost will increase going forward due to the Government of India increasing the minimum support price of cotton. Yarn business has shown slight increase in demand due to better retail sales. However, the prices remain under severe pressure due to intense competition. The progress in Melange Yarn is good with encouraging customer response and acceptance for our product.

Your directors are optimistic about better economic conditions in the near future. Your Company would be able to improve its performance and profitability in the future much stronger.

At Maral, by nurturing next-generation solutions and implementing sustainable strategies, we have strengthened our resolve to reach a new growth orbit. The path isn't without hurdles, but by harnessing the power of innovation, we are working towards building a future brimming with possibilities.

I would like to take this opportunity to express my sincere gratitude towards my colleagues on the Board for their valuable guidance and advice for the management of this Company. On behalf of the Board of Directors of the Company, I also take this opportunity to express my sincere thanks and gratitude to all our bankers, financial institutions, central and state governments, and various authorities, stakeholders,

and shareholders for their cooperation and continued support. I take pride in the unswerving contribution and commitment of our people for their relentless efforts.

Once again would like to express our earnest gratitude to each one of you, our Shareholders. I look forward to your ongoing support. I wish you all the best and keep healthy. Thank you. With this, I would like to hand over to the Company Secretary.

Shri Sandeep Singh: Thank you, Chairman Sir. So, we have received request from seven members of the Company for registering themselves as a speaker shareholder in the AGM today. We request the speaker shareholder to limit the speech to three to five minutes for the benefit of other shareholders. Chairman will be responding to such queries either at the AGM or through email subsequently. Now, I would like to highlight to the speaker that when I take your name, your mic will be opened by the moderator of this meeting. You will have also to unmute the mic from your end and express your views and ask questions. I now invite Shri Praveen Kumar, who has registered himself as a speaker to express his views and ask questions.

Shri Praveen Kumar: Hello, am I audible, Sir?

Shri Shekhar Agarwal: Yes, please.

Shri Praveen Kumar: Very, very good afternoon to my respective Chairperson, esteemed Board of Directors, my fellow shareholder, myself, Praveen Kumar, joining this meeting from New Delhi. I have a few observations and remarks which I love to share with the entire house, but before that, in this financial year, this is our first interaction with the management, so I wish the entire management team and each and every employee, the dedicated employee of our Company, a happy, healthy and prosperous future. Coming down to my observation, respective Chairperson, I am with the Company for years now and I have the deepest respect to the respective Chairperson. I salute your leadership, the vision, dedication you have to create sustainable wealth creation for a retail investor like me. I'm very, very thankful to be part of such a great Company. It's a legacy to be very, very honest with you and each year, I am very, very eager to listen to you, the annual address to the shareholder. It is very, very in-depth and we are into textile industries and despite so many socio-economical conditions in the world space and under your leadership, if you see the under-review, we come out as a very, very satisfactory performance. The entire credit goes to your leadership, your vision, your dedication along with the professional teams. Sir, I wholeheartedly support all the resolutions which you set up for the notice today and my question to the management is, what kind of nowadays, sir, there are so many buzz about AI, so are our management using AI tool in our operation to enhance the operation capability of our Company, our product and by the same time, saving cost also. If using it at what percentage and in the next three years, what will be the plan to use percentage-wise? This is my question and one more thing I love to add here is I love to thank our respected CFO. I welcome our new Company Secretary, Mr. Singh. He has truly a multinational

Company experience, so he is going to be the biggest asset as far as the communication is concerned. Respected Company Secretary, a great welcome to our Company and his expertise will also be very, very beneficial as far as communication with the retail investors is concerned. Under your leadership, it was always a red carpet welcome for a retail investor like me with our update and theories that will be prompted by that truly boost our morale as far as our investment in the Company, sir. With this, I am very, very thankful to the entire management team to give me this opportunity to share my views and remarks. I wish you all the luck that God bless you with all the positivity so that you will keep the momentum in the future also taking our Company to the near height in the future. Jai Hind.

Shri Shekhar Agarwal: Thank you, Praveen ji. I think you have asked a very pertinent question regarding artificial intelligence. I think artificial intelligence as far as the textile industry is concerned, it's still in its evolution stage and we have been working on this for quite some time now and very recently we have engaged in this activity through an international organization and it is a three-year project that we are working with them on our product strategy and planning and so far in the last few months that we have worked on this project, it has proved to be quite encouraging. Time will tell as we move forward but as you have rightly said, this is something that we are taking very seriously, and we will continue to work on this. Thank you.

Shri Sandeep Singh: Now I am going to invite Shri Manoj Kumar Gupta who had registered himself as speaker to express his views and ask questions.

Shri Manoj Gupta: Hello. Hello

Shri Sandeep Singh: Yes sir.

Shri Manoj Gupta: Good afternoon, respected Chairman, Board of Directors, fellow shareholders. My name is Manoj Kumar Gupta. I have joined this meeting from my residence, Kolkata. I feel proud to be a part of LNJ Group because LNJ Group is a very renowned group in the country and a very respectful group and I have gone through your speech and I have, sir, what's your future plan for Maral and how you will turn around the Company, when the Company will be in profit to pay the dividend and to pay a good return to the employees and the investors because now the textile business is booming and everything is going on right track. So, why we are so behind when the investors will get return on their investment and when the share price will go up because investors have invested their money for A, B, C, D, E, F. A for appreciation, B for bonus, C for convertible debenture, D for dividend, E for earning per share, F for factory visit. So, what you have done in these six alphabet words, the last five years for the investors. Can you tell us, sir, because we have full faith and confidence on the LNJ Group, and we strongly support all the resolutions which is proposed today and we will support because our owner is Mr. Ravi Jhunjhunwala and we have full faith on him. So, we will support but just to tell us what investors and employees have got return in the last five years. I have explained

to you A, B, C, D, E, F. So, what we have got, sir, in these six things and is there any direct or indirect impact on our Company due to the higher inflation and the global crisis in the Israel-Iran, Russia-Ukraine because several prices has gone up. So, is there any direct and dollar is fluctuating, and the textile industry is also facing a lot of problems and a lot of challenges. In last, after Corona, post-Corona, textile industries face a lot of problems from Gujarat to Tamil Nadu. Those are Gujarat and to Tamil Nadu, several textile units are there. They are facing a lot of problems. So, what's the situation on today post-Corona and have you returned back to pre-Corona status, sir? With this, I strongly support all the resolutions and I hope that you will take a positive step to return to the employees and the investors. That you should also think about to bring the cheer on the face of shareholder also, sir. Do not forget the shareholder at the festival time of Diwali, sir. Thank you, sir.

Shri Shekhar Agarwal: Thank you, Manoj ji. I think you have partially answered some of the points that I wanted to mention. A Company in the last two years, as in the industry, has been going through a bit of a turmoil because of, as I mentioned in my speech, the international markets have really become very sluggish because of inflation and because of the wars that are taking place earlier since 2022 in Ukraine and since last year in the Middle East and this has definitely had an impact on demand and because of which there has been tremendous price pressure on our products. However, to circumvent most of this problem, in our Company, we have a simple philosophy and the philosophy is to go up as much as possible up the value chain. So, rather than being in the bread and butter items, we want to add value to our products and as I mentioned a little while back, we have very recently added a very high value-added spinning plant for producing melange yarn, which is from day one quite profitable so, and similarly, in fabrics, we are profitable. We are producing very sophisticated, high-value fabrics also for some of our international customers. So, I think all the efforts are still on to increase value addition, to increase margins and I have no doubts in my mind that very soon we will see a turnaround in the Company's profitability, but having said that, what is important to understand is that demand still is weak. It is not yet at the same levels as before the COVID period. So, to reach that 2018-2019 demand level is taking time, but hopefully there are some positive signs that things will improve in the near future and then we would see that the demand has picked up, capacity utilisation has improved, prices have improved, because of which our top and bottom line will also improve. You are on mute.

Shri Manoj Gupta: Hello.

Shri Shekhar Agarwal: Yes.

Shri Manoj Gupta: Sir, when will you be in a position to pay the dividend, Sir?

Shri Shekhar Agarwal: For me to say that is going to be very tough, but all I can say is when we were profitable in March 2022, we paid dividends and I can only tell you that the day we turn around and are profitable, we will definitely pay dividends.

Shri Manoj Gupta: So, do we expect that two or three years time will take more.

Shri Shekhar Agarwal: Yes, definitely.

Shri Manoj Gupta: Okay, Sir, thank you.

Shri Sandeep Singh: I now invite Shri K. Bharat Raj who has registered himself as a speaker to express his views and ask questions.

Mr. Bharat Raj: Hello

Shri Sandeep Singh: Yes, Sir,

Shri Bharat Raj: Hello, am I audible.

Shri Sandeep Singh: Yes sir, you are audible.

Shri Bharat Raj: Yeah, very good evening. Good afternoon, Mr. Shekhar Sir. I am Bharat Raj, I am from Kundu. I am happy to share.....Sir. A lot of questions have been raised by our co-shareholders. Our best wishes to you, Sir. All the best for coming to us. I hope next year we have a hand-built more so that we can personalize it. My secondary partnership is always successful and in time we send you the annual report. Thanks for the secondary services. Once again, Sir, my best wishes to you. All the best. Thank you. Bharat Raj signing off from Kundu.

Shri Shekhar Agarwal: Thank you, Sir.

Shri Sandeep Singh: Now I invite Shri Omprakash Kejriwal ji who has registered himself as speaker to express his views and ask questions.

Shri Shekhar Agarwal: Yes, Mr. Kejriwal.

Shri O P Kejriwal: Hello, Sir.

Shri Shekhar Agarwal: Good afternoon.

Shri O P Kejriwal: Good afternoon, Sir ji. And good afternoon everybody attending this AGM. Myself Om Prakash Kejriwal, your equity shareholder from Kolkata. Thank you, Sir ji for providing me the platform to speak something before you. Thanks to our Secretarial department for helping me in registration as speaker shareholder. Especially thanks to our Secretarial department and Mr. Anil Gupta ji for calling me and taking my know-how. Sir ji our India is growing and so are companies also growing. But Sir ji we have to do more efforts to catch our peers. In quarter one, 24-25, our yarn and fabric segment has done very well. But, Sir ji garment segment is not doing well. It is really surprising because, there is a case study. There is a Company, Trend Limited, from Tata House. They are performing

very well. Every quarter, they are performing 20-25% growth. So, Sir, *isme case study kijiye ki who log kaise perform kar rahe hai aur humlog kaise perform nahi kar pa rahe hai kyuki unka har quarter Jo hai 20-25% growth deh raha hai aur ushi hisaab seh unka share price bhi reflect kar raha hai aur humlog jo hai kaafi peeche ja rahe hai. Aap neh kaha keh humlog jo export mein.... nahi pa rahe hai, toh humlog India mein try kare, India mein toh kaafi growth hai abhi, demand bhi acchi hai. Aur hamare MD jo hai Japan mein baithe hua hai, aur nishche who business purpose keh liye baithe honge Shantanu ji, toh aaplog cheshta toh kar rahe hai, lekin thoda sa zyada effort dena padega. Toh yeh iska case study kijiye on Trend Limited isse humlogo koh kuch help mil sakta hai. Aur Sir ji Bangladesh mein kuch problem a raha hai toh isse kya humlogo ka demand mein kuch badhotri hogi kya, kyuki Bangladesh toh accha supplier hai world market mein, toh yeh thoda sa bataiyega. Aur cotton price abhi kaisa chal raha hai, aur iska future kya lag raha hai price ka aur humlog ko kya better quality ka cotton humlog ko mil pa raha hai kya humlog ko zarurat hai who yaha India mein humlog ko mil pa raha hai kya, kyuki aap neh kaha keh humlog ek better quality yarn produce karna shuru kiye hai, spinning unit toh usme better quality ka cotton lagta hoga, toh yeh thoda bataiyega. Aur Sir ji CSR Committee ko jo hai aap ki taraf se ek request karna chahunga ki ek drinking water provide kijiye Sir, humlog ki jo factory area hai, ya nearby villages hai waha peh drinking water provide kijiye iss fund se aur dusra Corona Disease ke baad jo hai cancer patients bohot badh gaya hai, had family mein koi na koi member jo hai cancer sein pidit hai, toh iss fund sein yeh cancer patient keh liye bhi kuch help karneka cheshta kijiye. Aur Sir ji thank you for calling AGM one month before. Meine last year request kiya tha aur aap neh us request ko mana hai iske liye aap ko bohot bohot dhanyawaad. Aur ek factory visit keh liye, since I am your very old shareholder toh please organise a factory visit so that we can see our factory, how it is running. Atlast Sir ji please maintain your smile and be cheerful. We are always with you as a long-time investor. Bus thoda humko Holi-Diwali yaad kar liya kijiye sir ji aur bohot bohot dhanyawaad. We are a long-time investor. Thank you. Thank you, Sir ji.*

Mr. Shekhar Agarwal: Thank you, Kejriwal Ji. Aap neh Trend keh bare mein bola, toh Trend is basically a retailing arm of the Tatas, and, they are a multi-product and multi-store organization, and, we are basically manufacturers and exporters to the international market. Like I had mentioned in my address to you, the international markets, unfortunately, have not been picking up to the pre-COVID levels in terms of demand, and, because of which, our garment division has remained under-utilised. The utilisation is now picking up slowly. And, I am very confident that in the next couple of quarters, our capacity utilisation for the garment division should be fairly high and, we should see a good turnaround in this division. *Jahan tak Bangladesh ka sawal hai, hamara export Bangladesh, yarn ka jata hai, so far, we have not been affected by that at all. And, on the other hand, some European and American customers are looking at India very seriously to transfer some of the business and de-risk themselves..... That they should come out of it. As you probably know, India is the second largest producer of cotton in the world, and, we are also now one of the largest exporters of cotton in the world and, cotton is available, there is no problem on availability but, the prices so far have been subdued. In the last 15 days, we see some movement in prices and also the fact that the new crop season starts from the 1st of October and, the new minimum support price kicks in. The prices have been*

increasing. Let us wait and watch how this affects our yarn and fabric business, hopefully it should be positive.

On the CSR front, if you go through our annual report, you will notice that we, as a part of our CSR activity, are involved very deeply in education in the rural areas, both for the girl child and for children around the vicinity of our plant near Indore and, we run a school of 800 students. This school is CBSE accredited and is very well renowned, not only in the state of Madhya Pradesh, but across the central part of India. We, as a part of our CSR activity, also adopted two villages where we set up solar pumps for transporting water from the water source to these villages. In one of them, the distance was about 2.5 kilometres. And, in the other one, it was about 4.5 kilometres. So, now we put up these pumps at the water source with solar electricity, we put up pipelines, we have built tanks in these villages to store water and, in the last two years, one year, we have noticed that the overall convenience of the villages and also their agriculture activity has improved dramatically. We are constantly monitoring it and, we hope that we will do more such projects in future. Thank you very much.

Mr. Sandeep Singh: There were three speaker members who registered themselves, Mr. Shri Gagan Kumar, Shri Ayush Gupta and Shri Rajagopal Narshimha Nayak are not attending this meeting. We have received one query from Shri Shashi Bhushan Gupta. What are the future prospects, Company growth and planning.

Mr. Shekhar Agarwal: I think I have already answered that. We are looking at modernising our existing facilities. We are also looking at investments in sustainable energy and, we are looking at possible value addition on our product range. So, I think these are activities that we are constantly looking at to improve our margins, to improve profitability and the top line as well.

Mr. Sandeep Singh: Thank you so much, sir, for answering the queries of the shareholders. Now, I request the Chairman, sir, to put up the resolutions before the members.

Mr. Shekhar Agarwal: So, we have six resolutions for approvals of the members in this Annual General Meeting.

- Item no.1, Ordinary Business: To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2024, and the reports of the Board of Directors and auditors thereon. The resolution is placed before the meeting to be passed as an ordinary resolution.
- Item no. 2, Ordinary Business: To appoint a Director in place of Shri Ravi Jhunhunwala (DIN 00060972), who retires by rotation and being eligible, offers himself for reappointment. The resolution is placed before the meeting to be passed as an ordinary resolution.

- Item no. 3, Special Business: To approve the appointment of Shri Raman Singh Sidhu (DIN 00121906), as an Independent Director of the Company. The resolution is placed before the meeting to be passed as a special resolution.
- Item no.4, Special Business: To approve the appointment of Smt. Romi Jatta, (DIN 10045383), as an Independent Director of the Company. The resolution is placed before the meeting to be passed as a special resolution.
- Item no.5, Special Business: To approve the appointment of Shri Amitabh Gupta (DIN 01646370), as an Independent Director of the Company. The resolution is placed before the meeting to be passed as a special resolution.
- Item no.6, Special Business: To ratify the remuneration payable to M/s K.G. Goyal & Co. (firm registration no. 000017), Cost Auditors of the Company for the financial year 2024-25. The resolution is pass the resolution is placed before the meeting to be passed as an ordinary resolution.

Members who have not cast their vote through remote e-voting or e-voting during the proceedings of this AGM are requested to kindly vote on the proposed resolutions. The e-voting module in the AGM is already active.

Members may note that the results will be declared within 48 hours that is on or before 29th August 2024 after considering the e-voting done today by members participating in this AGM and also the remote e- voting already done by members. To further inform that the results along with the scrutiniser report shall be submitted to the Stock Exchanges that is the National Stock Exchange and the Bombay Stock Exchange and will also be placed on the website of the Company and the NSDL.

All the business set out in the notice of this meeting has been concluded and a time period of 15 minutes would be available for voting at the meeting after which the meeting will stand closed. Stay safe and take good care of your health. Thank you very much and see you next year. Thank you all.
