

Transcript of the 36th Annual General Meeting of Maral Overseas Limited

Company Secretary: Good afternoon, myself Sandeep Singh, Company Secretary and Compliance Officer of Maral Overseas Limited, participating from Noida, welcome you all in the 36th Annual General Meeting of the Company. Pursuant to the MCA and SEBI Circulars, this meeting is being held through video conferencing or other audio-visual means without the physical presence of the members. The deemed venue for the 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 Shri Ravi Jhunjunwala, Non-Executive Director and for Independent Directors, Smt. Archana Capoor, Shri Raman Singh Sidhu, Shri Amitabh Gupta and Smt. Romi Jatta are present in the meeting.

In compliance of the provisions of the Companies Act 2013, read with relevant rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a remote e-voting facility was provided to the members, which was started from Tuesday, 26th August 2025 at 9 am and ended on Thursday, 28th August 2025 at 5 pm.

The Company is also providing an e-voting facility during the AGM to enable the members to cast their vote who have not done so through remote e-voting. Further, the Company has appointed Smt. Manisha Gupta, Practicing Company Secretary as the scrutinizer for the 36th AGM to scrutinize the remote e-voting, including e-voting during the AGM process in a fair, transparent and efficient manner. The voting results will be declared on or before the 1st of September, 2025. The results, along with the scrutinizer report, shall also be submitted to the stock exchanges NSE and BSE and will be uploaded on the Company's website. The notice of 36th Annual General Meeting and Annual Report for the financial year 2024-25 were mailed electronically to the shareholders on 6th August, 2025 at their email addresses registered with the Company or Depository Participants. The statutory registers maintained as per the Company's Act, 2013, are kept open electronically for inspection by the members during the AGM.

At this moment, there are 66 participants 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. Over to you, Chairman Sir.

Chairman: Thank you, Sandeep. Good afternoon, ladies and gentlemen. I am Shekhar Agarwal and I am participating in this meeting from my office in Noida.

I welcome the members to this 36th Annual General Meeting of your Company. I would like to mention that in compliance with various circulars issued by MCA and SEBI, this AGM today is being conducted 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 call this meeting to order.

I would like to welcome my colleagues on the Board of your Company to this 36th Annual General Meeting and I would like to introduce them to you now.

Shri Ravi Jhunjunwala.

Shri Ravi Jhunjunwala: Good afternoon, everyone. Myself, Ravi Jhunjunwala, a Director of the Company. I am joining this AGM from my office in Noida. Thanks.

Chairman: Thank you, Ravi Jhunjunwala. Shri Shantanu Agarwal.

Shri Shantanu Agarwal: Good afternoon, everyone. I am Shantanu Agarwal, Joint Managing Director of the Company. I am a member of the Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. I am joining this AGM from Thailand. Thank you.

Chairman: Thank you, Shantanu. Smt. Archana Capoor.

Smt. Archana Capoor: Good afternoon, everybody. I am Archana Capoor, an Independent Director of your Company and Chairperson of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. I am joining this AGM from my residence in New Delhi and I welcome all the members to this AGM. Thank you.

Chairman: Thank you, Archana ji. Shri Raman Singh Sidhu.

Shri Raman Singh Sidhu: Good afternoon.

Chairman: Go ahead, Raman ji. We'll come back to him. Shri Amitabh Gupta.

Shri Amitabh Gupta: Good afternoon, everybody. My name is Amitabh Gupta. I am an Independent Director of the Company and a member of...

Shri Raman Singh Sidhu: I'll just repeat. Hello. Can everyone hear me? This is Raman Singh Sidhu. Good afternoon to all of you. I am an Independent Director of your Company. I am joining this AGM from my home in Gurgaon.

Chairman: Thank you, Raman ji. Amitabh ji, can you go ahead?

Shri Amitabh Gupta: Good afternoon, everybody. This is Amitabh Gupta. I am an Independent Director of your Company, also a member of the Audit Committee and the Nomination and Remuneration Committee. I am joining this AGM from Gurgaon. Thank you.

Chairman: Thank you, Amitabh ji. Smt Romi Jatta.

Smt. Romi Jatta: Good afternoon, everyone. My name is Romi Jatta. I am the Independent Director of your Company and a member of the Nomination and Remuneration Committee. I am joining this AGM from Gurgaon, from my home, and thanks again.

Chairman: Thank you, Romi ji. We have with us Shri Manoj Gupta, Chief Financial Officer of the Company, and I would request him to introduce himself.

Shri Manoj Gupta: Good afternoon, everybody. Myself Manoj Gupta, Chief Financial Officer of your Company, joining this AGM from Noida. Thank you.

Chairman: Thank you, Manoj. We also have with us a representative from our statutory auditor, Shri Vivek Raut, Partner of M/s S.S. Kothari, Mehta and Company, LLP, Chartered Accountants. Vivek ji, kindly introduce yourself.

Shri Vivek Raut: Myself Vivek Raut, Partner of S.S. Kothari, Mehta and Company, a statutory auditor of the Company.

Chairman: Thank you, Vivek ji. We have with us our secretarial auditor and scrutinizer of this meeting, Smt. Manisha Gupta, Practicing Company Secretary. Kindly introduce yourself, Manisha ji.

Smt. Manisha Gupta: Good afternoon, everyone. I am Manisha Gupta, Practicing Company Secretary. I am the secretarial auditor of the Company and also acting as scrutinizer to scrutinize the remote e-voting, including e-voting 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 so much.

Chairman: Thank you, Manisha ji.

Chairman: The annual report for the financial year ended 31st March 2025, 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 on the financial statements and the secretarial audit report of the Company for the financial year ended 31st March, 2025 do not contain any qualifications, reservations, adverse remarks or disclaimers. Accordingly, the reports are not required to be read out as provided in the Companies Act 2013. Now, with your permission, I would like to start my formal address to the shareholders.

Dear shareholders, a very good afternoon to all of you.

It gives me great pleasure to welcome you to this 36th Annual General Meeting of your Company. Our journey over several decades has been characterised by resilience, innovation and an unwavering commitment to providing high quality textile products that are used by millions of individuals worldwide. As we navigate the complexity of our global landscape, marked by geopolitical tensions, protectionist trade policies and climate challenges, our focus remains on strengthening our core businesses and unlocking efficiencies while exploring new opportunities and navigating challenges to embrace growth.

I would now like to present a brief overview of the prevailing economic conditions in the country as well as in the textile industry.

The financial year 2025 was unrelenting in its challenges. The economic slowdown in key global textile markets significantly led to reduced demand, intensified competition and unviable prices. These headwinds impacted our performance too. The prolonged Russia-Ukraine conflict continues to impact energy and commodity prices, while steep tariffs imposed by the United States on India have reduced our export competitiveness. Recent talks of a potential Russia-Ukraine ceasefire offer hope for lower global commodity prices and improved supply chain, which could potentially boost economic confidence.

On a positive note, India and the United Kingdom signed a landmark free trade agreement in July 2025, under which 99% of India's exports to the UK, including textiles, will become duty-free. The removal of the 12% import duty on Indian textile positions India to better compete with Asian countries like Bangladesh, Vietnam and Sri Lanka. The potential India-EU FTA under discussion offers a potential boost to our competitiveness in global markets if concluded.

The global textile industry remains a key contributor to global manufacturing, with India, China, Bangladesh, Vietnam and Turkey serving as significant hubs for textile production. Sustainability has emerged as a paramount concern, with concerted efforts directed towards mitigating environmental impacts and adopting eco-friendly practices. Despite numerous challenges, the global textile market is projected to grow from US \$1.98 trillion in 2024 to US \$4 trillion by 2034,

driven by rising income, evolving lifestyles and increased demand for fashion and durable apparel.

The Indian textile sector, valued at US \$146.6 billion in 2024, is projected to expand to US \$213.5 billion by 2033, with a steady annual growth of 3.85% from 2025 onwards, driven by an evolving consumer preference in fashion, home decor and lifestyle. Government initiatives such as the PM Mitra Parks and higher import duties on knitted fabrics have been introduced to strengthen domestic competitiveness. While exports faced headwinds due to geopolitical stress, India capitalized on opportunities arising from competing nations' challenges. At the same time, India's expanding middle class continues to drive demand for premium and sustainable textiles.

Company's performance during FY 24-25

While we have remained dedicated to enhancing and refining our competitive edge, such efforts are not fully reflected in our financial results. Your Company achieved a turnover of Rs. 1047.03 Crores during FY2025, compared to Rs. 960.06 Crores in FY24, reflecting a 9.06% growth in revenue. However, EBITDA declined from Rs. 59.75 Crores to Rs. 45.22 Crores and net loss widened from Rs. 9.77 crores to Rs. 24.20 Crores.

All business verticals witnessed reduced order flows and intense competition, adversely impacting operations and profitability. Nevertheless, our entry into the mélange yarn market has been encouraging, with growing customer acceptance and increasing volumes.

Segment wise business performance:

Yarn: In terms of yarn, demand remained weak in export markets, particularly the US and Europe, while political unrest in Bangladesh further affected sales in yarn. The Company redirected its focus towards the more resilient domestic market. Despite the external volatility, the dyed yarn operations continue to thrive. This success is attributed to the Company's established reputation as a supplier of high-quality dyed yarns. For the financial year 2025, the Company intends to execute a comprehensive modernization program aimed at replacing outdated equipment and improving operational capacity. This initiative will further assist the organization in shifting towards value-added products, thereby augmenting the overall profitability of the Company.

Fabric: In the fabric division, a sluggish business environment that has affected the fabric industry since the onset of fiscal 2024 has given way to improved prospects as order inflow has increased in the latter half of the financial year 2025. Furthermore, the business environment improved due to the political turmoil in Bangladesh, which has resulted in the transfer of international opportunities in India. Consequently, capacity utilization has progressively improved.

Garment: For the current financial year, the Company has drawn up a comprehensive blueprint to sustain its growth momentum, and this includes product rebalancing and replacing coal with biofuels to strengthen sustainability credentials. New fabric dyeing machines are being added to augment better product mix and improve capacity utilization, resulting in better margins. In the garment division, the prevailing uncertainty in the global environment, particularly in the western nations, due to geopolitical tension, sluggish economic growth and escalating inflation has adversely affected the demand for garments.

Maral focused on cost rationalization, consolidation of production facilities, and strengthening relationships with key international clients. The installed capacity has been rationalized based on current order flow, with the objective of optimally utilizing available capacity. Following the completion of a comprehensive consolidation exercise, the Company will now concentrate on enhancing the restructured garment division to restore its profitability.

The Company will concentrate on cultivating business with key international clients. Furthermore, the Company will diligently pursue the establishment of stronger relationships with key leads, transitioning towards increased business volumes. At the operations level, the Company intends to modernize its equipment and implement automation solutions to optimize its reliance on human capital and also rationalize cost.

Operational Performance – 30th June, 2025

In the first quarter of the current financial year, the Company recorded a turnover of Rs. 225.50 Crores as against Rs. 250.92 Crores in the corresponding quarter of the previous year. A net loss of Rs. 12.57 Crores was reported in Q1 financial year 2026 as against a net loss of Rs. 6.45 Crores in the corresponding quarter in the previous year. The Company's performance during the quarter remained subdued, primarily due to a challenging global environment. The increase in domestic cotton price with stable international cotton price, thus creating a substantial disparity in cotton cost. This had led to a major impact on margins in the spinning segment. Moreover, the imposition of a 25% tariff by United States on Indian textiles and subsequently another 25% recently and the uncertainty of further penalties, as mentioned now, created hesitation among buyers, leading to order delays and weak demand sentiment.

Political uncertainty in Bangladesh, a key export market for yarn has led to reduced demand for Indian yarn, further aggravating price pressure on this segment. The UK FTA is expected to significantly boost garment exports under the zero duty access. At the same time, global retailers are diversifying sourcing away from China and Bangladesh, creating a window of opportunity for India with a strong raw material base, investments in sustainable processes and enhanced compliance readiness.

The Company is well positioned to capture a good share of diversified orders. We are also hopeful that the Government will extend the removal of duty on imports of cotton, which has very recently been announced and has been further extended till 31st December. We continue to strengthen customer relationships, improve supply chain responsiveness and invest in operational efficiencies to be ready for the anticipated recovery in demand.

I take this opportunity to express my sincere gratitude to 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. Our people are the real source of our success. I take pride in the unswerving contribution and commitment of our people for their relentless efforts. Once again I would like to express our earnest gratitude to each one of you, our Shareholders, for your continued support.

Best wishes to all of you and your family for good health. Thank you.

Company Secretary: Thank you, Sir. We have received a request from five members of the Company for registering themselves as a speaker shareholder in the AGM today. Out of five, three members have joined. We request the speaker's holders to limit the speech to three to five minutes for the benefit of the other shareholders. Chairman Sir would be responding to such queries either at the AGM or subsequently through email.

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 to also unmute mic from your end and express

your views or ask questions. I now invite Shri Manoj Kumar Gupta, who has registered himself as a speaker to express his views and ask questions.

Shri Manoj Kumar Gupta: Hello.

Chairman: Manoj Ji, we can hear you.

Shri Manoj Kumar Gupta: Good afternoon, respected Chairman, Board of Directors, fellow shareholders. My name is Manoj Kumar Gupta. I have joined this meeting from my residence, City of Joy, Kolkata. I feel proud to be a shareholder of LNJ Group to see you and Mr. Jhunjhunwala in the Board. Sir, I could not see you because video is not coming. You and mine. I think that you have covered all the things which were surrounding in our mind. Sir, what's your future plan and how you will take the Indian brand or Make in India and made by Maral Overseas to globally because in your logo, LNJ Group is written that Company group is global and when you will be in position to pay the dividend? When the investors will get return, bring some professionals as a ED or someone so that they can help you to growth of the Company. And Sir, recently US President Trump has imposed the 25 plus 25 percent tariff on India. Due to the tariff, the Indian industry of textile, jewellery will hit and they will impact. So, how much impact will come on our Company, Sir? And free trade with UK, you have given some highlights in your remarks with UK in last July when our beloved Prime Minister was in UK. So, how we will be benefited with free trade with UK in the European countries? So, how we will be benefited and how our Company will get benefit? Can you throw some highlight? And VC meeting should continue because in Noida, we are in Calcutta. So, that we can talk to you and we can see you over video. So, VC meeting should continue because it's very difficult to come physically to attend the meeting. So, VC meeting should continue and arrange a plant visit of Noida so that we can see how our plants are working, Sir. With this, I strongly support all the resolutions. Thank you.

Chairman: Thank you, Manoj ji. I have already very briefly talked about the impact of the duty tariffs that the US has placed on us. And this has definitely affected some of our business, especially our sales to the domestic market for yarn and fabrics because a lot of the major garment customers, garment manufacturers to whom we supply yarn and fabrics are USA-centric. So, in the short term, they are facing problems with their US customers and things are a little uncertain. So, some orders are on hold and hopefully things will work out. That is the indication that we have. And I think we should see a much better and clearer situation in coming days. As far as the UK FTA is concerned, we are all very anxiously waiting for the UK government and the Indian government to formally announce the establishment of this FTA so that it can be implemented practically and we can start exporting under zero duty. There are indications from customers that they would be willing to look at India very seriously for imports of home textiles, garments and other textile products. So, we are very anxiously waiting for that to happen and this should open up a big market for us. You raised the question about the future of the Company. We are constantly looking at value addition and will continue to do so. As I mentioned in my speech, we are adding new machines in our fabric dyeing facilities so that we can consume more yarn and convert it into value-added fabrics and we will continue to do that. So, I think as far as your question about professional management, the Company is managed professionally. We have professionals in very senior positions in various functions and they continue to work independently and we are constantly monitoring if we need to add any more senior person. We have that opportunity and we look at it.

Thank you.

Company Secretary: I now invite Shri K. Bharat Raj who has registered himself as a speaker to express his views and ask questions. Moderator, unmute Shri K. Bharat Raj.

Chairman: He is there but we can't hear him.

Company Secretary: Yeah. So, we will connect with him later.

Now, I invite Shri O.P. Kejriwal, who has registered himself as a speaker and expresses his thoughts. Yeah. Okay.

Shri K. Bharat Raj: Yeah. Good morning, Mr. Chairman, entire board of directors. I am Bharat Raj from Hyderabad.

How are you, Sir?

Chairman: We are fine. Thank you.

Shri K. Bharat Raj: Sir, wonderful Chairman's speech, Sir. A lot of information you have given to us. I know the situation regarding the US tariff but I hope my Company will come out from all this situation, bad situation. We will bounce back. Chairman sir, what will the EBITDA margin in this financial year and what will be your capacity plan in the next three years? I thank my Secretarial department for sending me the annual report along with the link. They are always successful. My best wishes to you, Chairman Sir. Take care, God bless you all. I am Bharat Raj, shareholder from Hyderabad.

Chairman: Thank you, Bharat ji.

Our capacity utilization continues to be in the region of 85 to 90% and hopefully this will continue. We will try to improve upon it as the markets improve. And our EBITDA margin in the current year is not going to be very encouraging, looking at the market conditions. But we hope that we will be EBITDA positive.

Company Secretary: Thank you, Sir. Now I invite Shri O.P. Kejriwal. Sir, please unmute yourself and ask a question.

Shri Om Prakash Kejriwal: Hello sir. Can you provide me with the video, Sir?

Company Secretary: Yes, the video is on, Sir.

Shri Om Prakash Kejriwal: Thank you, Sir. Am I audible?

Company Secretary: Yes, yes.

Shri Om Prakash Kejriwal: Thank you. Thank you. Good afternoon sir Ji.

Chairman: Good afternoon.

Shri Om Prakash Kejriwal: 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 a speaker shareholder. Sir ji, this is my third AGM only due to virtual, though I am your very old shareholder. So, if possible, please follow this virtual AGM next year also so that more and more investors from different parts of the world could join our AGM and express their views, and the Company could take benefit from their views, Sir. Sir ji, our India is growing, but sorry to say, Sir, we are not growing. Though our revenue has grown to Rs. 1047 crore, previously it was Rs. 960 crore. But our loss has grown to Rs. 24 crore. Previously loss was Rs. 9.77 crore. And

so our EPS is minus Rs 5.83 on the face value of Rs. 10. Previously, it was minus Rs 2.35. In this year, the garment segment is still making huge losses of Rs.19 crore. Sir ji, our first quarter that is the June quarter of the financial year 25-26, result is also weak. Our revenue has gone down to Rs. 225 crore compared to Rs. 251 crore in the corresponding quarter. Our loss has grown to Rs.12.56 crore compared to Rs. 6.44 crore. And so our EPS has minus Rs 3.03 compared to minus Rs 1.55. In this quarter, profit in yarn and fabric is down. And in garments, we are still in a loss of Rs. 5.79 crore. What is going on, Sir? Sir ji, what is your expectation for the remaining three quarters? Sir ji, in the last AGM, you were very optimistic. But nothing is happening. Sir ji, India has done FTA with the UK. You have told regarding FTA with the UK. Then leave it. Sir ji, Trump has put a 50% tariff. How much will we be affected? How much we will suffer? And sir ji, India has abolished cotton duty on the import of cotton. Will it help us in our growth? Are you importing cotton? If yes, from which country? And Sir, from the media, I came to know that yarn prices crashed in last 15 days. What is your opinion, Sir? Please share your views, Sir. Sir ji, there are 200 countries. Why are we going to the US? Leave it US. Sir, *Chamanlal Sethia ek Company hai chawal export karti hai. Unse hamari baat hoti hai wo har saal 2-3 new countries ko jo hai search karte hain aur usmein apna maal export karte hain. Waise aap bhi kuch kijiye ki naya naya countries pakadiye. US ko chhod dijiye. Trump ko chhod dijiye. Baaki aur countries ko pakadiye, Sir, kunki duniya mein jo hain 200 countries hain. To dekhiyega is pe.* Sir ji, I have a few requests also. Please do remember the speaker said at the time of festivals. In the same manner, as you remember your friends and relatives. And second request for factory visit, Sir. I am your very old shareholder. So, please organize a factory visit so that we can see our factory and how it is running. At last, Sir Ji, please maintain your smile and be cheerful. We are always with you as a long-term investor. Thank you. Thank you, sir.

Chairman: Thank you, Om Prakash ji. I think you have raised very relevant and very pertinent queries. And I will try to answer as many of them as I can.

First, to talk about the import duty on cotton. Yes, import duty on cotton has been eliminated till 31st of December 2025. And this has helped to bring down the cotton prices substantially over the last 3 days. But unfortunately, this has had a further negative impact on the yarn prices. So, we are still waiting and watching what happens. Because what has now happened is all of a sudden the demand for imported cotton over the last 2 days has increased. Because imported cotton has shown some resilience to price increases. So, let us see what happens because yarn prices are pegged to international cotton prices. So, if the cotton prices on the international market remain stable, it will help us to maintain yarn prices as well. Your question about our exports to the US, we do not directly export to the US, except for about 12% of our garments. But fortunately for us, the customers that we deal with in the US market have continued to work with us. And they have given us assurance that they will continue to do business with us. So, it should not impact our garment business. However, we do sell a lot of yarn and fabrics to customers who in turn, convert to garments and export them to the US. And they have been impacted in a very major way. So, a lot of orders since April have been put on hold or delayed, which has led to a lower capacity utilization in yarn and in fabrics, mainly. And this is why you see a situation where our losses in the first quarter have increased. The situation has been further aggravated by the imposition of 50% duties. And we really do not know which way this whole thing is going to go. But we are in discussions with customers. They are also waiting and watching to see what their ultimate customers decide to do with them. So, the situation is very uncertain. And we do hope that some positive move does take place in this trade with the US. But to be very honest with you, we export to 47 countries in the world. And the US is a very small part of our business. We export to Europe. We export to many other countries. And now with the UK opening up, I am very confident that our exports to the UK and UK-based customers working in other countries will also increase. We are very confident that things should improve in the coming quarters, and hopefully, we should be able to get back to you with a more positive note. Thank you.

Company Secretary: Thank you, Sir. And the other two speakers have not joined, sir. So, there are some queries we have received through the chat box. One shareholder, Mr. Santosh Bhutani, has asked, step to increase the asset quality and capital improvement in the coming time. How do you plan to improve profitability and return on investment for shareholders?

Chairman: So, asset quality is constantly being studied. We are looking, as I mentioned in my speech, we are constantly modernizing equipment. And we are also looking at new technologies. As I mentioned, we have very recently replaced our boilers and thermopacks, which are used in our fabric processing division, with biomass boilers and thermopacks, which are very modern, which not only are they sustainable, but will also save a lot of energy for us. And so, through this, we are constantly looking at our assets and improving upon them and modernizing them. As far as the profitability and return on investment is concerned, I think I have discussed enough that we are at this stage, going through a difficult market condition. And as the markets improve, we will do much better. In the meantime, our philosophy of increasing value-added products continues so that we are less dependent on commodity yarns. Hopefully, this will also help us to improve our margins.

Company Secretary: Thank you, Sir. Another shareholder, Mr. Mahendra Pal Bhutani, has asked five questions. I'm just reading it out. Your steps to enhance quality standards, operational efficiency, and to strengthen business. The second question is, what are the uppermost strategies for the remaining three quarters of the financial year 2025-2026? What are some of the challenges and opportunities that you foresee in the coming time? Your strategies to navigate internal and external challenges and steps to increase asset quality and capital, as well as corporate improvement. Position and present the status of quality parameters for enhanced customer satisfaction, geographical expansion, and product positioning. These are his questions, Sir. Most of the things you have already answered, sir. Yeah.

Chairman: So, as I mentioned, we are constantly looking at new markets. And now, with the situation with the United States becoming a little uncertain, we have already started looking at customers across Europe, Japan, and the Middle East. Even in South Africa, we have now started working with a few customers. In South America, Brazil is a very important market for us, and we have started exports there as well. So, we are constantly looking at opportunities in other parts of the world for sales, and our marketing team is very well entrenched in these activities. Our quality is not a concern. We have customers with us who have been working with us for many, many years, and therefore, they are very satisfied with our quality. And with modernization of equipment, we will continue to improve quality further, and also productivity. So, this is an ongoing exercise for us.

Company Secretary: Thank you, Sir. One more shareholder has asked, Shri Suresh Bhutani, is asking that what metrics do you use to measure the effectiveness of your diversity and inclusion initiative?

Chairman: Our diversity is fairly, I think, the product mix that we look at is quite diversified. We are in yarn, we are in fabrics, and in yarn, we are in dyed yarn, we are also in melange yarn, and we are in fabrics, and then ultimately in garments. So, the product diversity obviously means that we go more and more into value addition, special yarns and fabrics. And in yarn and fabrics, we are also looking at different fibres, different blends, different structures, and different finishes for different applications. And this is an ongoing exercise for us. We have a very strong product development team at our plant near Indore, who is constantly working on looking at these diversities in product.

Shri Shantanu Agarwal: I think the shareholder was asking also about the diversity initiatives in our workforce. I think in all three of our facilities, we have several initiatives for women

empowerment, both on the training side, as well as employment side. In Sarovar, as well as our garment units in Noida, a significant portion of our workforce is for ladies, and a large portion of our CSR is also geared towards women empowerment.

Company Secretary: Thank you, Sir. So, one last shareholder is Shri Ishan Kadam, who has asked, what impact will the US tariff have on our garment business? How will the yarn segment be affected by the US tariff? Second question is, with the 10% duty on the cotton import from the US, do we expect further increases, and how will this affect cost? What is the status of our association with Uniqlo? Will it absorb future production impact by the US market? He has also asked, are there any acquisition plans in the near future? Who are our major competitors, and who are our key buyers, hosiery or textile companies? And also, our last question is, regarding the 300 million preferential issue, how has the amount been utilized, and what cost savings are expected? This is the last question, Sir.

Chairman: First of all, I have already talked about the US tariffs being imposed on us. And as I mentioned, our garment business is not affected at the present moment, because only 20% of our garment production is exported to the US. And as things stand now, our US customers continue to give us orders. Yarn segment has definitely been affected by the US tariffs in the sense that our customers who are US-centric have had uncertain order positions, because their customers have put a hold on their orders to them. And therefore, our yarn and fabric customers have also told us to go slow on their orders. So we are waiting and watching to see how this develops. The duty on cotton, as I mentioned, has already been dropped. And so, the Indian cotton prices have definitely softened. And this will have some effect on the market, but we need to wait and watch because it has happened very recently. Uniqlo continues to be our customer, and our business with them is hopefully going to grow. And we do not have any acquisition plans at the present time. Our major customers are not so much in India as overseas in Bangladesh, Vietnam, Sri Lanka, and other countries. But within India, we have very few competitors because India is a huge market, not only for exports, but for the domestic market as well. The 300 million preference share issue that you have talked about, it is basically going to be used to augment our working capital.

Company Secretary: Thank you, Sir. Thank you. There are no further queries from the members. Now I request you to, Sir, please place the resolution before the shareholders.

Chairman: We have seven resolutions for approval of 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, 2025 and the reports of the Board of Directors and auditors thereof. The resolution is placed before the meeting to be passed as an ordinary resolution.

Since I am interested in the next item, I request Smt. Archana Capoor, Independent Director of the Company, to chair the meeting for item number two.

Archana Capoor: Thank you, Chairman.

Item no.2 is an ordinary business. The resolution proposes to appoint a Director in place of Shri Shantanu Agarwal (DIN 02314304), who retires by rotation and being eligible, offers himself for reappointment. The resolution is placed before the meeting to be passed as ordinary resolution.

Thank you all. Now I request Shri Shekhar Agarwal ji to resume the chair and continue the proceedings. Thank you, Archana ji.

Item no.3, special business: To appoint M/s. Manisha Gupta and Associates, Company secretaries in practice as secretarial auditors for a term of five consecutive years. The resolution is placed before the meeting to be passed as ordinary resolution.

Item no. 4 special business: To ratify the remuneration payable to M/s. KG Goel and Company, firm registration number 000017, cost auditors for the financial year 2025-26. The resolution is placed before the meeting to be passed as ordinary resolution.

Item no. 5 special business: Approval for voluntary contribution to bona fide and charitable funds under section 181 of the Companies Act 2023. The resolution is placed before the meeting to be passed as special resolution.

Item no. 6, special business: To approve the alteration of the memorandum and articles of association of the Company. The resolution is placed before the meeting to be passed as special resolution.

Item no. 7 special business: To approve issuance of redeemable, non-convertible cumulative preference shares on private placement basis to the promoters and promoter group entities. The resolution is placed before the meeting to be passed as a special resolution.

Members who have not cast their vote through remote e-voting or e-voting during the proceedings of the 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 on or before 1st September, 2025 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 scrutinizer report shall also be submitted to the stock exchanges, i.e., NSE and BSE and will also be placed on the Company's website and 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 be closed. Stay safe, take good care of your health and thank you very much and see you next year.
