

Transcript of “65th Annual General Meeting”

of ELANTAS Beck India Limited held on

4 May 2021 at 10.00 a.m. through Video Conference/ Other Audio-Visual Means

Company Participants:

Mr. Suresh Talwar
Independent Director

Ms. Kishori Udeshi
Independent Director

Mr. Ravindra Kulkarni
Independent Director

Mr. R. L. Shenoy
Independent Director

Mr. Srikumar Ramakrishnan
Managing Director

Mr. Milind Talathi
Whole Time Director

Mr. Abhijit Tikekar
Head Legal & Company Secretary

Mr. Sanjay Kulkarni
CFO and VP - IT & Procurement

Other Key executives, Senior Management, Representative of Statutory Auditors and Secretarial Auditor cum Scrutinizer and Shareholders

Welcome Address - Mr. Srikumar Ramakrishnan

Good morning, everyone my name is Srikumar, and I am the managing director for ELANTAS Beck India Ltd. I am joining this Meeting from our registered office in Pune. Let me announce that since this Meeting is on a virtual platform, here are no proxies who are allowed to participate in the Meeting.

At this point in time, 37 shareholders are present for the Meeting out of which, 1 is authorized representative holding 5.9 Million shares as a requisite quorum is present, I call the 65th Annual General Meeting to order.

As Mr. Martin Babilas, Chairman of the Company is unable to attend this Meeting, the Board has unanimously nominated Mr. Suresh Talwar, who is a Chairman of Nomination & Remuneration Committee to chair this Meeting.

I have to inform you that Mr. Martin Babilas and Dr. Guido Forstbach are not participating in this Meeting on account of their prior commitments and time differences. Other Members of the Board are participating from their respective locations.

For the benefit of our Members, I request the Members of the Board who have participated, as I call out, to kindly introduce themselves and the location from where they are participating.

Mr. Suresh Talwar

I am Suresh Talwar, an Independent Director and I am participating from my residence in Mumbai.

Mr. Ravindra Kulkarni

I am Ravindra Kulkarni. I am an independent Director of the Company and I am participating in this Meeting from my residence from Santacruz in Mumbai.

Ms. Kishori Udeshi

I am Kishori Udeshi, an Independent Director, I am speaking from my residence in Mumbai. Thank you.

Mr. Ranjal L. Shenoy

I am an Independent Director. I am the Chairperson of Stakeholders' Relationship Committee. I am participating from my residence in Mumbai.

Mr. Milind Talathi

Good morning I am Milind Talathi and the whole time director of the company and I'm participating from my office in Pimpri, Pune. Thank you.

Mr. Srikumar Ramakrishnan

Apart from the directors, Sanjay Kulkarni, our CFO and Abhijit Tikekar the Company Secretary are participating. Also present are Mr. Amit Borkar Partner PWC, Statutory Auditors of the Company and Mr. Prajot Tungare, Partner of Prajot Tungare and Associates Secretarial auditors, and Scrutinizers for this Meeting and for the voting process and the cost of auditors from the respective offices.

Since this is an online Meeting, I would now request Mr. Tikekar our Company Secretary to inform the general guidance and protocol to be followed by you in this Meeting for the smooth conduct of this Meeting over to you Abhijit.

Mr. Abhijit Tikekar

Thank you Mr. Srikumar

Good morning ladies and gentlemen.

For the benefit of the Members let me inform you that the register of directors and KMPs and their shareholding, the Register of contracts and arrangements in which the directors are interested are open for inspection online.

Now, I would like you to take you through certain points regarding the participation in this Meeting, which have been already communicated to you via notes to the AGM notice.

I request the Members to kindly adhere to the same for smooth conduct of the Meeting. A facility of joining the AGM through video conferencing /other audio-visual means is being made available for the Members on the 1st come 1st, serve of basis.

All Members who have joined this Meeting are by default, placed on a mute mode by the host to avoid any disturbance arising from background noise.

Once the question answer session starts, the names of the Members who have registered as Speaker will be announced one by one. The concerned speaker will thereafter be unmuted by the host to start speaking. If the speaker is not able to join through video for any reason, the speaker can speak through the audio mode. While speaking, the Speaker is requested to use Headphones so that he is clearly audible.

Also, he is requested to minimize any ambient noise and ensure that wifi is not connected to any other device so as to achieve maximum bandwidth. In case there is any connectivity problem at the Speaker's end, we would request next speaker to join.

Once all the speakers finish their speech, opportunity will be provided once again to those speakers who could not speak earlier due to connectivity issue.

We would like to request the speakers to kindly limit their speech to 3 minutes. The speakers who have sent the questions in advance, in the interest of time, may not kindly repeat the same. During the AGM if any Member faces any technical issue, he may contact the helpline number 1800222990 which has been also mentioned in the Notice of the AGM.

Pursuant to the applicable provisions of the Companies Act 2013, read with Rules framed thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company had provided the facility of remote e-voting as per the timeline mentioned in the Notice. The remote e-voting has already concluded on 3 May 2021 at 5.00 P.M. IST. Members attending the AGM and who have not voted using remote e-voting platform, shall be able to cast their vote during the AGM.

The window for e-voting has been activated and Members can cast their votes simultaneously while participating in the proceedings of the Meeting.

Thank you very much. Now may I request Chairman to take forward from this point please.

Mr. Talwar

Thank you Mr. Abhijit.

Once again Good Morning dear Shareholders. I welcome you all to the 65th AGM. This Meeting which is on virtual platform, is necessitated on account of the various travel restrictions and social distancing which made it difficult to assemble at a common venue.

The AGM notice along with the annual report for the financial year ended 31 December 2020 was sent to the Members on their registered email addresses .

Since the notice of the AGM was circulated to all the Members, I take the notice as read.

There are no qualifications, adverse observations or comments or remarks on the financial statements of the Company which have any material adverse effect on the functioning of the Company, from Statutory or Secretarial Auditors. The Directors Report and the Management Discussion and Analysis Report therein, properly summarizes the financial highlights and significant business developments for the year 2020, whereas the Corporate Governance Report highlights the Governance Standards followed by the Company.

The Board of Directors has recommended a 50% dividend on the paid up share capital of the Company i.e. Rs.5.00/- per equity share of Rs. 10/- each which is in line with the dividend distribution policy of the Company.

The Company commenced 2020 with the integration of the newly acquired business of wire enamels from Huber which allowed the Company to offer existing and new customers even more individualized solutions besides strengthening its technology leadership in the Wire Enamels segment.

The advent of Covid -19 caused a disruption to the Company's plan for the year. The Company had to quickly reprioritize its efforts to ensure that the safety and well being of its employees, plants and offices were maintained during periods of the extended lock down, while at the same time ensuring that the requirements of its customers who relied on the Company were served despite the challenging scenarios created by the lockdown implementation across the various states.

The resilience demonstrated by your Company's employees and other stakeholders combined with the investments made in advanced ERP System & IT platforms; state of the art R&D facilities and the continuing progress in developing process technology allowed the Company to sustain its operations with an optimal cost position while at the same time rebound quickly once the market situation improved. The resolve and the resilience of the Company's employees ensured that the well being of its people and workplaces were protected while at the same time demonstrating diligence in managing costs and cash while operating in an environment with severe constraints compared to the past.

Through this period, at Ankleshwar, the Company continued to work with relevant stakeholders to ensure that the issues raised were addressed appropriately and to the satisfaction of the stakeholders. The Company has invested in the infrastructure at the location and continues to deliver on the commitments made to the stakeholders.

Your Company did its best under these circumstances to retain its position in the market. In 2020, though the Company saw a drop of 3.00% in revenue, the Company's profit before tax increased by 25.75%.

Understanding customer's stated & unstated needs and devising solutions to address them, remain the bedrock of Your Company's business philosophy. Therefore, though the past year reprioritized some of

the projects, your Company’s continuous efforts to build on its technology leadership, a committed team, efficient operations supporting a customer centered approach should position it well in the new & challenging external environment that may emerge post the pandemic.

The Company has reevaluated its strategy to sustain its position in the market, while at the same time identifying new segments for growth.

On Corporate Social Responsibility arena, Covid -19 pandemic and consequent lockdowns and also natural calamities, made the Company to re-align its CSR activities. Being the need of an hour, the Company contributed majority of its CSR spend to PMCARES and PMNRF funds.

Safety is at the forefront when it comes to our operations and processes. Your Company continues with its no accident record for several years. The Company is focused on identifying opportunities to improve its processes and capabilities around Quality, Environment, Health and Safety. These continue to be accorded the highest priority & are constantly reviewed for identification of opportunities to reduce wastes and conserve natural resources.

To conclude, I would like to express my sincere thanks to my colleagues on the Board for their continuous and valuable contribution and support. I also thank the ALTANA management for its continued and unstinting support on all fronts. Here, I also wish to place on record our sincere appreciation of the contribution made by all employees of the Company.

Finally, I wish to thank you (shareholders) for the interest you have shown in the affairs of the Company for all these years.

Now I request Mr. Abhijit Tikekar to narrate each item of agenda for the benefit of the Shareholders.”

Mr. Tikekar

Thank you Chairman, let me briefly read out the items of agenda for the benefit of shareholders.

Item 1	Adoption of the Balance sheet as at 31 December 2020 and the Statement of Profit & Loss for the year ended on that date along with the Directors’ Report and Auditors’ Report.
Item 2	To declare a dividend on Equity Shares for the year 2020.
Item 3	To appoint a Director in place of Dr. Guido Forstbach (DIN:00427508) who retires by rotation and being eligible, offers himself for re-appointment.
Item 4	Ordinary Resolution to re-appoint M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditors for the second term.
Item 5	Ordinary Resolution to ratify the remuneration paid to Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Firm Registration No. 000030) appointed by the Board of Directors as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the Financial year ending on December 31, 2020.
Item 6	Special Resolution for re-appointment and terms of remuneration of Mr. Milind Talathi (DIN : 07321958) as Whole-Time Director of the Company for a period of 2 years with effect from 27 February 2021 to 26 February 2023 on such terms & conditions including those relating to the remuneration as set out in the Agreement dated 23 February 2021 entered into between him and the Company

Since all the resolutions are put to vote through remote e voting process, there will be no proposing and seconding of resolutions.

Now I request the shareholders who have given their names to speak at the AGM to express their views and ask queries on the working of the Company. As we have got 14 speakers, I would request each to speak for not more than 3 minutes.

All the questions received before the AGM and questions, which will be asked by the Members will be responded after all speakers have completed expressing their views or asking the queries, I request the host to unmute 1st speaker. That is Mr. Vinod Agarwal.

Mr. Vinod Agarwal

Can you hear me?

Hello. Can you hear?

On the dividend, we shareholders are required to pay taxes. In the last year, it was not the case.

So now I would request the management to consider this in the future dividend policy that the DDT savings are passed on to the shareholder.

And I'm happy that the company is a debt free, and we have enough reserves in a Company that we can have a 1 bonus issue or stock split something because now the ship is holding beyond 3500 for most of the time. Stock Split can be taken place or bonus can be issued by company. All the best for the future. Thank you very much.

Mr. Tikekar

Thank you very Mr. Agarwal.

We move to the next speaker, may I request, the moderator to unmute 2nd speaker. That is Mrs. Lekha Shah

Mrs. Lekha Shah

Hello.

Can you hear me Sir, Abhijit ji.

Mr. Tikekar

Yes, ma'am.

Mrs. Lekha Shah

Respected Chairman Sir, Board of Directors and my fellow members good morning to all of you myself, Lekha Shah from Mumbai.

I am very much thankful to Abhijit Sir and Kuber ji for providing very good investors Services by sending me investors services by email well in time during this difficult situation. Thank you. Bye. Sir, This is the 2nd AGM through video conference.

I hope next year by the grace of God, the situation gets better and we have a physical Meeting.

Chairman Sir, I pray to God that he always Showers his blessing upon you.

sir, I'm confident that with your mission and determination, you will lead a company to create that height. And I pray to God the company should progress more and more.

Sir, I would like, ask a few questions. My 1st question is, what are the learnings from the lock down and how the Company implementing those learning? My 2nd question is how we are engaging our employees. My third question is how is the Company preparing post covid period. My fourth question is what is the roadmap for the next two years? So, I wish our company good look for a bright future and I support all the solutions.

Thank you

Mr. Tikekar

thank you very much ma'am. For your kind words.

now, may I request the host to unmute the next speaker. That is Mr. Deepankar Purkayastha.

Moderator:

Now you have been unmuted and placed in the Meeting. You can start your video and you're your question.

Mr. Deepankar Purkayastha

Good morning, in his opening guidelines, the company Secretary had said that, shareholders who had sent in that question in advance, should not repeat those questions I see the purpose of sending the questions in advance is to facilitate a timely reply and collection of data by the Company not, I think, to prevent other shareholders knowing, what are the questions asked by some other shareholder So, with your permission, I would, I have sent my question in advance. I'll quickly recap the question and I will ensure that I stay within your 3 minute guideline.

So, my 1st question was that last year you acquired this wire enamel business of Huber group, which was running with revenues of 39.77 Cr. and profits of 3.69 Cr. per annum in every quarterly result of yours you have been saying that results are not comparable with the previous quarter because of this business.

So just would like to know what was the actual incremental revenues and profits achieved on this account during Financial year 20 that is revenues that would otherwise not have been achieved without this acquisition. So that we can know once and for all, how much is the , addition that has come because of this. 2nd thing is during FY 20, you have got very good operating profit margin. If you go back. I think this is the highest amongst the last 10 years.

And this doesn't contribute substantially by the reduction in the cost of raw materials consumed. So, I just would like to understand, which are the raw material costs, which have come down.

And especially the sharp improvement over the previous 2 years. And how much of this improvement is, in margins you feel is sustainable.

See in the last AGM it was stated by the MD that 50% of enameled aluminum wires are imported from China. So, currently, what is the percentage after so much of a discussion on geopolitical affairs and all

So what is the current percentage of, India's imports of, aluminum wires from China.

And what is that company's market share in this segment Now after the acquisition of the business of Huber group and a reduction in imports from China? My final set of questions are on the Capex. See, last year Capex as per cash flow statement was about 13 Cr. and at the AGM, MD had stated that this was mainly on account of Ankleshwar Rectification, you know, this pollution control issues plus there are some minor efficiency improvements in, ERP and business intelligence, and some preliminary expenditure on the Ankleshwar expansion. So this year, the Capex of approximately 17 Cr., which is shown in cash flow, how much is going to be on account replacement, maintenance rectification and how much on expansion and new product lines and if you can give some details of expansion and new product line,

then I'm puzzled by 2 aspects of your capital expenditure, you are having showing capital work in progress on 31st, December, 18.

it was 43 Lakhs as on December 19. it was almost 10 Cr. as on 31st, December 20, 17 Cr.

But the amount which are getting transferred to the property plans and equipment that is after the work, if capital work in progress is over, it's 2.61 Cr. in FY 19.3.8 Cr., in FY 20 very, very low amounts, which have been actually booked as a PPE, when, compared with the overhang of work in progress. So why is there such slow progress. In completing the capital work in progress, if you can throw some light and finally,

In the foot note to the balance sheet, there is an estimated amount of contracts remains to be executed. on the capital account is 53 Cr. actually grows last year. Only it was 3 and a half Cr. Last year .

So, what do these contracts represent that is what is this expenditure for and when is this work expected to be completed?

That's all, thank you for the time and good day.

Mr. Tikekar

Thank you very much. Mr. Purkayasta

Now can we move on to next speaker Please?

Mr. Moderator please unmute Mr. Sudhir Golecha.

Mr. Sudhir Golecha

Yes, good morning. Yeah, I have a few questions.

The 1st Question is last year, we have applied of permission to set up 72,000 ,Mt. Ton plant at Talegaon, Pune.

What is the current approval status of the project? Is MPCB public hearing over.

The 2nd is having paid 10% of land was to MIDC, are we planning to pay remaining 90% by May or June? 21without attacking penalty clause.

The 3rd point is you have given implementation schedule of this project In 5 to 6 phases over a period of 5 years. In phase 1, which you want to complete the next 2 years.

Post approval, what shall be our capacity in this phase 1. The fourth point is, post completion of all the phases, what shall be the capacity in terms of wire Enamels?, Varnishes and coatings for EL Sector.

The 5th 1 is in the last 2 quarterly workings. We have seen margin expansion. Is it new normal for us? Is it new normal for us? The 6th one is Many raw material prices have gone up to the roof and you have stated in annual report of a strong demand for our finished products. We need help us maintain our margins. That's all Sir, thank you.

Mr. Tikekar

Thank you very much Mr. Sudhir Golecha. Can we unmute our fifth speaker that is Mr. Harshit Golecha please?

Mr. Harshit Golecha

Hello, very good morning Sir.

I have only 4 questions. Not much. I hope this time. All my questions are answered. The 1st question is we haven't mentioned anything about the Talegaon project in our annual report. How much will be the second segment from that. I need the contribution of wire enamel as well as the EL segment out of 72,700 odd tone. How much will be the percentage of wire enamel segment and EL segment.

Are there any plans of shifting our operations and expansion?

Plan of 48,000 ton if the delay getting in getting permission continues in the Ankleshwar region, because hardly 40 to 42, hardly from our existing plant that is Ankleshwar it's only 40 to 42 kilometers away Bharuch where PCPIR is there and why don't we the plan or have Backup option over there?

In Ankleshwar, the new capacity, which we are not able to get the permission for the 48,000 tons, I need the split up in that also how much will be the wire enamel ? and how much will be the EL Segment ?

and last has the Acrylic coating being absorbed and by when will be commercialize it in the form of Conap series, because outside India, our Company has many products example conap and Bectron etc.

And Indian mobile sector itself has increased in the market size so, how are we going to contribute, or how are we going to participate in that?

Thank you, sir. I hope all the questions will be answered.

Mr. Tikekar

Thank you Mr. Harshit. Now may I request Moderator to unmute our 6th speaker that is Mr. Ashok B Jain.

Mr. Ashok B Jain

Thank you so much.

Good Morning everybody, I have a couple of questions. I won't repeat the question, which are asked by my fellow shareholders. I just stick to the questions, which are not being asked. On page 15 we have written that under R & D benefits we have reported the new development of new conformal coatings for PCBs. Please explain in layman terms importance of the same.

On page 33, you have spoken about the emerging opportunities and e- mobility and consumer electronics. Currently, do we have products cater to this segment? What are our plans to enhance this range?

And my 3rd question is that our Construction Chemical division is not doing well, whereas a group Company ELANTAS Europe has introduced fully transparent, epoxy resin for ornamental Stone market. Do we have plans to introduce in Indian Market as our CC sector is not doing well?

Our Report States that we have introduced many innovative products last year in thermal interface material that is TIM. How is the initial response and the future scope? Sir, in spite of no growth in EL year, last year; we have stated that we are confident of achieving good growth in the current year. If things return to normal after this Covid wave, will the yield be 20-25% of our top line in 2021. Whereas we are just having 13-14% for last many, many years. so, because of the strong growth anticipating, can it be 20-25% of our top line?

So, margins, my fellow shareholders have asked.

That is because of his fixed savings and raw material cost, can you just explain how much we have saved in the fixed cost during Covid last year. Capital work in Progress was asked by fellow shareholder, I won't repeat that.

We had a sale of traded goods rose from 1 Cr. to 22 Cr., are we giving out low margin items to outside vendors and focusing ourselves on high margin technology Advanced products? Because this is the first time when we are having this kind of traded goods turnover.

Sir, I read the article written by our MD in catalyst with great interest. This is a perspective in the sustainable Eco friendly development is exemplary. There are hardly very few companies in India who think about sustaining and the safety. Most of the management, they think about profits only. Also, the same article, he has expressed a positive opinion about the PCPR Region. Do we have, I think this was asked by my fellow shareholder. So if the installed capacity Expansion is deferred, can we shift to which is a nearby to Bharuch.

Sir ELANTAS Europe presented a functional ink for printed electronics in digital conference recently. Will E -Mobility sector, give us an opportunity to introduce these products in India in the near future?

And the last one, Sir, our investment property in Pimpri was for sale. Any deal or negotiation for the same? Thank you so much. Sir my son can continue in the same this thing.

Mr. Tikekar

Yes, please.

Mr. Jain

Sir, as per the recent media reports, Mahindra has started EV three wheelers, Bajaj has started making EV two-wheeler Chetak, Ather anergy one of our Clients is making electric two wheelers similarly in the consumer electronics restaurant there has been aggressive by Samsung, Foscon, wistron technologies, etc. do we have some of these names in our customer list currently?

2nd question is how are inquiries from these new players, the other new players who are entering the market. How has been the inquiry status?

My 2nd question is Sir, we received the Ankleshwar expansion approval, and it has been 3 or 4 years now. And we also received the consent to operate (CTO). As informed by our previous MD Mr. Ravindra Kumar two years ago, He did inform in 2019 AGM that our company has already purchased reactors and machinery for expansion, but still, we are not able to expand due to government regulations, as the Gujrat government has been promoting the hedge , which is in our Bharuch district to attract chemical and petrochemical projects. Are we open to looking at the hedge to expand instead of a problematic Ankleshwar? so, if possible, are we really open to moving to another site to carry out an expansions and capacity.

The next question is, we all know that electric vehicles will have copper wires, motors, and also a lot of electronic parts, as opposed to fossil fuel-based vehicles, can you please explain in what ratio or percentage terms, our wire enamel and varnishes and conformal coatings will be used in one particular electric vehicle like, a Two-wheeler, Four-Wheeler or passenger car, what will be the ratio of Wire Enamels, Varnishes and Conformal Coatings that will be used.

I'm sure you can explain this in a layman's terms. As a ultimate parent BMW is already into, electric passenger Vehicle sales I mean, they are supposed to be doing extremely well now.

The next question is are we open to the idea of importing and supplying, products from our group companies worldwide, you know, products that we don't necessarily make right now in India. Are we open to importing them?

The approval problems because we are into pretty hazardous chemical product industry so, are we really open to importing the contents and supplying these products to our customers if there is suddenly a big spike in demand or something? I just wanted to know if you really have a line of thought

my last question is, In India, majority of the Companies are nicely managing their operations that most of the industrial sector has probably managing through this a really a difficult Covid 2nd wave phase, what has been the kind of impact on our demand, if you could just explain that, briefly, I really, thank you for your time. Thanks a lot, Sir,

My best wishes for this year and the next in the future. Thank you.

Mr. Tikekar

Thank you. Mr. Dilip Jain

May I request the host to unmute Mr. Sarbananda Gattani.

Mr. Sarbananda Gattani.

Hello!

Good morning sir. I am CA Sarbananda Gattani from Kolkata. I'm a very old Shareholder, maybe more than 20 years. I always study the Balance sheet, and very, very good company. Sir, but still, I have some queries. A Company ka forex earnings is 5.16 Cr. Outgo is 54.72 Cr. Why drain India of the foreign reserve? Sir? My 1st, query was that.

There are 2.5% of customer complaints pending as on the end of the financial year. Why is it? So, sir, that was my 2nd,

My 3rd query, Statutory dues pending against the Company is 203.5 lakhs what is the status as of now?

Dividend is Rs. 5/-. I'm not at all happy. Dividend out go is Rs. 3.96 Cr. and our profit is 61.53 Cr. why is it so? Hum log dus pandhra rupaya ka Dividend kyu nahi de pa rahe hai ? 3700 Rupaya Share ka dam hai aur 5 ruyapa leke aadmi kya karega.

Thank you, sir.

Mr. Tikekar

Thank you so much, sir. May I Request moderator to unmute 9th speaker that is Mr. Himanshu Upadhyaya.

Mr. Himanshu Upadhyaya.

Hello, good morning.

So I will not repeat my questions. I sent a list of questions. We only speak the important ones, which I wanted to get more clarity. And two requests, if you can reply point by point, it will be very helpful in 2nd when Mr. Srikumar was speaking, we were not able to hear the things very clearly.

So, when he is answering, please, if we can be loudly, it will be extremely helpful. These are two humble requests from my side.

1st question was what percentage of sales would be to direct, clients or OEMs. and through distribution channel. And which segment would be growing for us, and for higher growth, we need to add more OEM clients or we think we are satisfied with the penetration with number of lines? And distribution lets growth has to be our strategy. So, these were the 1st and 2nd questions.

Third is, what percentage of revenue would be from products introduced in the last 5 years? So, what is the innovation what we have done and how it has led?

4th in our annual report, we have said that we do annual consumer service in channel partner. What are the potential areas of improvement for us based on the customer service? And what are the attributes

where we are better than the Competitors based on the survey? You can throw some light on that it will be highly helpful.

5th is, we have stated that strategy for the companies to maintain market share and focus on new segments for growth in our annual report, can you elaborate on what are the new segments for growth for us? and what are the products which are growing faster pace for us?

One question on construction chemicals, construction chemicals include a wide range of products with number of large and small players are operating in the market. What is our strategy to grow in that business and What do you think can be a sweet spot for us to grow that profitably?

What is the M & A opportunities for us in construction chemicals? And good, we look at a M & A to grow our business?

7th question is already asked I am not repeating. We spend a substantial amount on R & D. Can you explain how we track the effectiveness of and value we are getting out of R & D? our R & D includes both the components which we spent and which we also pay to the parent for the R & D services, combined I am talking about,

What would be our market share today in primary and secondary insulation? and the size of market for primary and secondary insulation in India.

The next is, at what rate? We expect the market for primary and secondary insulation to grow in next 3 to 5 years versus last 3 years growth rate.

What would be the capacity utilization at both Ankleshwar and Pimpri sites for us and any possible capacity addition at these 2 locations?

There is a lot of noise on Make in India, especially in white goods and electronic items assembly. Are we seeing any increase in the inquiry levels volume of take an increasing capacity from our existing customers?

Also, in terms of capacity, do we have that required capacity to grow 6 to 7% volume for next 3 years, If the Make in India is for real, so just on our capacity constraints or low capacity constraints.

Finally, raw material, have we been an increase, the prizes for our products and in the last 6 months, how much price increase we would have taken for our products? thank you from my side.

These were my questions. I'll just request one thing and reply point by point and Srikumar ji, please, you can speak loudly because. we could not hear you. Thank you.

Mr. Tikekar

Thank you, Mr. Upadhyaya,

As I understand from moderator, Mr. Ravi Kumar Naredi could not have joined us. So we may move on to the next speaker that is Mrs. Vasudha Dakve

Could you please unmute yourself and ask questions?

Mrs. Vasudha Dakve

Sir. Good morning.

Sir, thank you for giving the opportunity to speak. I would like, to ask few questions. Rates and Taxes on page number 105. Compared to last 68.94, please throw some light.

Mr. Tikekar

Ma'am could you be a little bit more louder you're barely audible.

Mrs. Vasudha Dakve

Cash and cash equivalent on page number 92. Current account balance is pretty high compared to that last year. Please throw some light as the current account money. We will not get the better returns.

These utilize these amounts for some other Purpose. Lastly, but not least what is the impact of Covid - 19 on our current employees working from home as well as who are on casual and contract basis.

Are we following any layoff policy to them? With this, I support all the resolutions and wish the company all the best for coming years. Thank you.

Mr. Tikekar

Thank you so much, ma'am, may we move to the next speaker. That is. Mr. Shrey Loonker

Mr. Shrey Loonker

Good morning everyone Thank you so much for this opportunity.

I have emailed across 13, odd questions to Mr. Abhijit I believe those will be taken in due course. And I will try to avoid repetition with the prior speaker questions as well. Just a couple of questions and 1 suggestion.

what, in your view with considerable hindsight that we have today, what is your learning from the control on pollution control issue that we had in Ankleshwar if you could just help us understand how you think about de-risking for any such future outcomes.

The 2nd, is, if you can just give us an idea, although we do believe that our products are very R & D intensive and very unique in that many ways but if you can just give us an understanding of how one should envisage from a content perspective, from a content per electrical equipment, or a content per mobile phone given the focus that PLIs having on incubating manufacturing within India, rather than relying on imports. Likewise, in in the electric world, if you can also highlight, typically, what is the content for vehicle that we have at a group, a global level? which may happen in India, maybe after 10 years or 9 years or 7 years, it doesn't matter, but if you can give us some global perspective of our group's products, relevance, and resilience in the areas we operate.

The 3rd question is on the aggression of CAPEX that we have seen over the last couple of years. Do we need to read it as that the opportunity is going up for us? Or is it more about gaining market share within the considerable market that we have.

And just one suggestion, sir, we are now a significant company with a very prolific shareholder base, it could be a matter of great governance that if we can start hosting conference calls, if not quarterly, at least half yearly the so that, communication is stepped up, especially when, governance is being rated far higher for our Company.

That's all Thank you so much.

Mr. Tikekar

Thank you very much.

May we move to the next speaker i.e. Miss. Celestine Mascarenhas

Miss. Celestine Mascarenhas

Respected Chairmen, Mr. Suresh Talwar, other very honorable Directors,

My name is Mrs. Mascarenhas from Mumbai. Greeting to one and all, coming to the report Well presented, informative, exhaustive and self-explanatory at the same time, adhering to all the norms of corporate governance. Thanks to the whole team.

Now I will come to working revenue down, but other comes are up. And therefore, PBT, PAT and dividend of rupees 5, considering the difficult situation last year with lock down to add to it. But we shareholders always expect something more. We because we have to depend, we are all retired now, and we have to really depend on this dividend income only although it is taxable let government take whatever it has to take but a little more or one time would have been greatly appreciated.

Now, I come to the CSR work. Very wonderful. Very good work. PM fund, PM care and everything. Very good. Now, my question, sir.

We are manufacturing three products, or three verticals, electrical installations, 2nd is engineering, and electronics resin and 3rd is construction chemicals. My question is in which vertical we are having a very good cutting edge and in which vertical we enjoy very good margins and which Vertical there is a great potential for growth.

My 2nd question is R & D spend is 1.81% of total turnover. Is this R & D work done in house and at which plant in India?

No. 3 How many frauds were detected due to whistle blower policy under section 177 of the Company's Act and Regulation 22 of Listing Requirements.

My number 4 question is last year, Our CAPEX is 1161.38 Lakhs how much for the next 2 years. For the inorganic growth any acquisition is in the piping as you did last year Huber Group. So many questions are asked about this. I don't want to repeat it.

Fifth is how many of the staff working from home? how much saving is done by online meet annual report? Travel? etc. and why I say this, because this really justifies my appeal for giving one-time huge dividend as we have very huge reserves also.

Lastly, I support all the Resolutions. I wish our Company and our staff very good health for the entire ELANTAS family. Mr. AP Mascarenhas. My husband also says one word and greet Mr. Shenoy.

Mr. Mascarenhas please Sir.

Mr. AP Mascarenhas

Respected Chairman Sir and very distinguished Members of the Board and my fellow shareholders my name is A P Mascarenhas.

. Coming back to the balance sheet and Annual Reports. The results are good compared to the economic scenario we are facing now a days.

what is our future roadmap going forward? And what is our Capex program going forward? with this end my speech wishing you personally all the Board Members and all the employees all the very best years and years to come with this. Thank you very much for patient hearing.

Mr. Tikekar

Thank you very much. Mr. and Mrs. Mascarenhas

May I now request to Mr. Srikumar to take over from this point.

Mr. Srikumar Ramakrishnan

Is my audio better now, compared to the past? and trying to use the headphone. So just wanted to reconfirm. So, Mr. Upadhyaya can you hear me better than before?

Mr. Talwar

Yes. We can hear you.

Lot of questions and thank you. Some of them have come in advance. So, I'll try and read out and list out quite a lot too. I'll try and group it up in terms of questions.

A lot of them are around the research & development quite a lot on both the growth, the retail market.

Some of it on CAPEX and how things are, so I will try to address that and still come back and trying to answer your questions very specifically. I'll try and do that each of the questions. So, let's see how it goes.

Between Mr. Loonkar, Mr. Upadhyaya possibly, most of the questions, when I look at it from the R & D and one more gentleman, had asked that question. So, increase in sourcing as a country is our understanding correct that with our global product line and the able local R & D efforts, the market share can dramatically alter for better results over the long run is a question that this Mr. Loonkar had. Given that the R & D center we run. Looking to understand its role better with respect to incremental new products for local markets, export opportunities, potential for even earning technical fees for services offered to global R & D is another question Mr. Loonkar and Mr. Upadhyaya asked.

We spend a substantial amount of R & D every year. Can you explain how do we track the effectiveness and the value that we get.

Another question is around what's the percentage of revenue from the products introduced over the last 5 years. Another question has been the pace of a new product development and the contribution of products to the R & D

Would aggression be higher on NPD in the next 5 years as a past given opportunities emerging from PLI and, could help us understand the broad addressable market Mr. Jain also had a question around what are the addressable markets? What's emerging is how is coming to what do we need to do? Again, a question around the product base, what are the new opportunities and the shift from the BS 4 to BS 6 and automotive how's that helping? And, the rate of growth for the primary market and in the next 3 to 5 years.

So, trying to really address it when you look at ELANTAS as an organization into the technology side of it, we have the ability and the leverage to draw both the global resources as well as the local R & D and as a combination, when you look at some of the products, and there were also some questions related to for the newer technologies and products, the name of Bectron, and some of the Conap products came in.

Is it possible to, since these are technologies that are available with our global affiliates, it is simple for us to transfer these technologies via technology transfer? Or on a trading, or a technology transfer and 3 also, the team locally here contributes to the R and D, which is a global effort and once if it is done at a global level, then it is not a technology transfer because, the technology is owned by all the entities that are participating in that.

So, when you look at our capabilities with respect to the global product lines, the ability to leverage those technologies, like I said, either by technology transfer or a trading of those activities. This in my view this capability combined with our local ability to manufacture because there are a lot of Developments and customizations that customer would expect so drawing on the base technology and

then customizing it, working closely with the local customers, and Mr. Dilip Jain had asked that question about EV is trying to come in through. Have we seen inquiries? Yes, we are seeing. Because as in the initial bit, quite a lot of the customers who are launching products are taking the technology or the finished components from overseas. But as they start to look at local footprint of manufacturing, they are trying to talk to us and we're collaborating with them.

Giving them the inputs to make those products and the local advantage, which I believe is a good advantage that your Company has that it has a local manufacturing footprint, to make these products and Service them in India, so when we can do that, that allows us clearly to push in the new products work collaboratively with customers to take things forward. Very specifically in terms of the contribution of the new product to the overall revenues of the Company I would say that at this point, we are looking at around a 9 to 10% top line, which is coming through because of the products that have been introduced recently over the last more than 3 years than 5 years that's what the contribution is helping us get through. But more than that we see these as value added products which help us differentiate more so their sustainability is also something which we see coming better because

We see more and more of these technologies and more and more of our customers looking at it. So, it's more sustainable.

While it, it is a single digit contribution or a high single digit contribution to the top line, it adds much more value to us as an organization, and our ability to sustain that.

There was one specific question with respect to the BS 4 to BS 6 and what's happening? Is that it allows us to there are more requirements or greater requirements around safety and security and some amount of. So, for example, the shifting BS 4 to BS 6 requires much more sensors. Now the moment you have sensors, you have the electronic components and the chips, they need to be protected. This is where some of our conformal coatings come into picture. Mr. Jain had a question around; can we explain Conformal Coating in Layman's term the way. I would sort of presented to you Mr. Jain specifically around the fact that It allows to protect it from, Corrosion, external attack or anything around moisture and allows the components to be in closer so the components become smaller, and they are able to be held in place and insulated well against any other potentially hazardous environment that they may face. So, this is a quick a brief in terms of how we look at.

Well, are you going to be aggressive in terms of the new product development and Mr. Jain had a question? And Mr. Loonkar asking about aggression in terms of NPD going to and then Mr. Jain also had asked question around from the current 13-14% are going to be looking at 20-25% in the year 2021. I wished. Mr. Jain but it'll definitely move from the 13. We are seeing a greater amount of product and newer application segments emerging, especially around electronics the team is focused on that.

We have sort of re- aligned and repurpose quite a lot of our team to start engaging with customers both at the specified and the end user level to start looking at it. I don't think we will end up with 25% this year, but it will definitely move much faster. It also depends on how the whole industry is able to localize and insource components within India looking at the current scenario that we see with some of the global disrupted supply chains also, you would have seen some amount of news that emerge with respect to, chip shortage that a lot of customers and industries are facing that. It means that they will tend to try and buy the finished component or as much of a competent as outside.

But over a period of time, we do target to get to the Closer to the 20% mark, not in 2021, but over the next 2-to-3-year, period, that's how we visualize this.

There was also one question about how do we expect the market to grow for the primary and secondary insulation in the next 3 to 5 years and then even a qualification is it going to be closer to the 6 - 7%? Yes, that's what we anticipate the market to be growing at both in these segments. Mr. Upadaya that's how we have sort of made our focus and plans on currently looking at the scenario that we are facing with

respect to Covid. It is not progressing at that level, but should the scenarios change we will definitely be in a position to get closer to that model and that's how we are trying to look at our capacity planning our focus for the future and whatever investments and capital expenditure that we're looking at over a period of time.

There was also a question about still sticking to R and D and growth about and how the consumptions are going to change with respect to the electronic vehicle and the way I see it.

Not too much of a difference that we see between what's the current internal combustion engine or the electronic vehicle when it comes to, let's say the electronic vehicle to the internal combustion engine, but we would see a 15 odd percentage change when it comes to the consumption of our sort of products that go in. But what we see is a greater demand for electronics component, and a greater demand for some of the terminal interface material and conformance coatings. That's where we are focusing ourselves on to take those steps and start working with customers so we would see a pull through or an addition of around 10 to 15% of consumption for the products that your company makes in as the shift for greater electronic vehicles starts to come in.

One of the areas that really will make an impact is the moment batteries localized, or people start really making the EV batteries in India and that's going to take some time. Hopefully once the battery shifts then we would be in a position to have a greater pull through for the products that the Company is looking at developing, has developed some of it and looking at developing. So. if that happens, then we would see getting closer to a 50% pull of the kind of nature of products that your Company starts servicing to that market. Some amount of questions again on electronics is sticking to it. The technology imported from ELANTAS PDG, USA acrylic coating has it been absorbed. are we looking at Conap sort of products? Yes. Mr. Jain, you also had a question of are we open to the trading?

Yes, we do create some of these products because unless there is a critical volume and a mass to sort of manufacturer, it doesn't make sense for us to localize that inhouse. So, since these are products that are respected and accepted globally and specified in a lot of cases, as the market starts and the customer demands start coming products like, Bectron or Conap that would tend to be sourced from our affiliates and then supply to our customers once the mass becomes critical enough, we transfer the manufacturing technology to make that inhouse, so we see that happening more and more.

In terms of the acrylic coatings yes, there is a much greater progress and a larger adoption. We see that the thing started to function we see some of it, working in the LED sort of segment with surge protection and other applications, standing to take the, the consumption of those products up.

So, that's something in, in terms of how the team is developing. So, then there were some questions around R and D benefits for conformal coatings, which are just explained.

Questions around construction chemicals, the new product line and chemical waterproofing what incentives as a company have to enter the segment, which is highly competitive and consolidated the question from Mr. Jain around ornamental stone for construction applications, are we going to look at? And the question from Mr. Uapadhyaya around a large number of products with large and small players operating. What's the sweet spot that we have? Are there M & A opportunities that we look at?

Over the last 2 to 3 years, or I would say is since the last 4 years, roughly the construction chemical business segment for your Company has been stagnant and has been challenged if I may call it so precisely. For the reasons, right? The right to win in the construction chemical market because of the nature of fragmentation is limited. The sweet spot, the Company has a legacy of doing business in these products. And in my view, we do have some products which have a good brand call brand name as well as a history of performance. Especially when it comes to floor Coatings and floorings if I may call it so.

As we speak the Company is in the process of re-evaluating this business and the segment to really see what its entitlement for growth is and which are the areas for us to look at.

Talking about inorganic, or M&A for this for this business at this point in time, our belief is right now, we want to look at and really recalibrate our efforts and our entitlement to that market and shoot that require Inorganic approach, the Company has been open to in the past and will be open to in the future, but not necessarily at this point. Right now, we want to just take a stop. Really look at one of the challenges for jump starting or ramping up the construction business also because of the nature of how the industry is also progressing.

Because with the frequent disruptions to the construction industry, people tend to stick with their known supplies and their known products. So, the business development efforts to that extent, become a bit more constrained in the current context. Having said that, there is a path that we're trying to put through hopefully when we talk next and when, when we interact next on this topic, we would have something to report as a progress in that journey.

There are some questions in terms of the functional links are we looking at more and more of it this is a technology which ELANTAS has globally started to work with this is a technology that's available. Our colleagues in business development as well as the market and technology development are looking at it should there be a need for customer requirements emerging for that in India, we will definitely be in a very good spot start looking at and trading of.

Moving a bit to sales there were questions that Mr. Upadhyay had around what is the percentage of sales direct and via distribution channels how this segment has grown faster for us? And how many channel partners we have? How are they going? there was just mention about what is it share? And the strategy that the Company has to retain its market share and focus what are the segments that We are looking at? What is the market share today? And what others have? What is a moment in terms of price?

Trying to address that we have roughly 35 distribution channel partners that the Company works with. It's closer to 50%. One of the things that's also changed is in 2020 we had a business acquisition of the wire enamel segment of Huber which aligned with our wire enamel segments so the nature of the route to market that Huber also followed for that meant that those routes to markets were also really embraced by your organization. That's on the standard business that we sort of tend to do when we look at what's emerging, especially in view of some of the R & D developments and the kind of work there is a lot of our business development focus where our colleagues from sales business development and technology are talking directly with the customers, Our business development activities today, as are focused more on the OEs, and as they translate, we would see the direct business to business part of the organization tending to be developing more. That's the current view. Having said that most of these partners that we have, have been with the Company for a very long period of time. So, especially in the business-to-business channel, the Company looks at utilizing those long-standing relationships and its channel partners' understanding of the business to leverage and refine its input and position with respect to customers.

The management team of your Company has focused very specifically on channel challenge management to look at. How do we optimize that? How do we take those inputs and start working with and leverage the distributors that we have? The 30 - 35 partners. The Company also does a bit of business in the B2 C segment, which is around retail. Now, this is a business that has bone, most of the fluctuations that have resulted with respect to some of the Lock downs and the closure of retail spaces, the immediate closure and the openings. So, this is an area, where your Company is trying to optimize its reach to the B to C channel. In our view, this is a good, good channel for us to increase our Geographic spread. Because for the retail products, the greater the retail presence, and the greater the geographic footprint that will occur better for us. Especially in the retail segment, and we see some tractions. The only thing is the amount of disruptions that we see, part of fluctuation in terms of the demands that come in from the retail market to this sudden opening up and faster shut down that people see. That's a quick overview in terms of the channel partners.

There was one question that in the annual service and channel partners, what's the feedback that you get or what are the inputs that you get the primary thing is a desire for improvement that we see are in terms of the lead time for servicing our orders and the commercial terms of supply, the price, credit terms. That's been challenged over the last year I would say on account of really the, the dynamic demand scenario that's emerged. Right? And the whole industry is facing.

That combined with some of the raw material challenges that, most of the place in the market face, makes it a bit, the customer inputs and feedbacks are relevant by it poses a challenge on us in terms of really meeting those expectations in terms of Servicing to forecasts and demands, which are coming suddenly. These two areas to sort of summarize when we talk about customer feedback or service.

Between customers and partners, the lead times required for servicing of orders and the commercial terms of supplies, so these are 2 inputs that we are constantly in dialogue with and trying to improve partnering with them to take things forward.

There was also a question about sticking to sales a question about an increase in terms of the trading volume, or the goods that we purchase for traded. I think Mr. Jain had asked that question.

Yes, you are right, Mr. Jain. The assumption that made was right. Yeah, but also bear in mind that, as we acquired and integrated the Huber business for us, a part of that agreement was also meant on them supplying a stored material. So that's how you see, some of the products getting traded, over a period of time in 2020. We absorbed that technology in house, started to manufacture it.

So that trading competent went down, but for the period of 2020, some of the volumes and the revenue that are the of the step up that you saw in terms of increase in traded revenue that is what it is attributing to in the coming year.

And I'll come to that because maybe I then try and take some of the questions on the Huber side of it. Mr. Loonkar Mr. Purkayastha and Mr. Upadhyaya all of you had questions around Huber. Plans acquired from Huber? what's the potential to cross sale and mine the business was expected to do around 40 Cr. a margin of around 3.7 Cr. p.a. and what was the incremental revenue?

And Mr. Upadhyaya also asked a question what would have been the volume decline and revenue decline in 2020 if we did not include the Huber volume? So, trying to address all 3 questions together. The potential for cross sale and mining has been synergized. Like I said.

Your Company has absorbed that technology made it, looked at products, which are synergistic, try to rationalize that and keep them integrated. So that, when we approach the market, we approach with the product that's both referred or a better offering that the market has. So that's something that we've done. The other thing that we have looked at mining and taking things forward has been around the ability to cross sale or cross sale across geographies.

Because of the reach, and some of the distribution and the channel partners that I just talked about a few minutes back, we have been able to take these products into geographies that were not, a geography that Huber would typically tend to sale to. This is something that it has helped the Company to do with. When you look at it from the sale projection and the margin projection to what we did, I would say that we were close to 70% to 75% of the top line. Having said that in terms of the bottom line literally 90 to 95% of that accruing to. When we look at the disruption, especially the period of April and May last year, starting from, let's say, the 2nd fortnight of March around the end of till the 4th week of May that is two and half months we lost. Overall, it impacted the top line when you look at the Huber volumes. But when we look at from the profitability side, it, it came very, very close to what we had anticipated.

The overall impact as when we look at it from a volume. If Huber was not there with us, the volume, I would say we would have lost around 8 to 9% of our volumes.

But when we look at it from the revenue side, we would anticipate the revenue loss to be around a 6% to 7%. If there was no Huber with us in the year 2020. But the synergies in terms of raw material and the raw material sourcing.

Plus, you pointed out, the reduction in material costs, help us get to the bottom line that we are sort of projected for ourselves and looked at as we did Huber integration. It is continuing to be online and as we integrate and absorb the technology forward. There will be a few more opportunities for us to really align the products rationalize and mine opportunities not only in the Indian geography, or possibly exported to the nearby locations also.

Coming back to some questions around the raw material and the sources of finished good, because we were talking of it Mr. Loonkar had a question around the raw material content. That was on raw material content that imported raw material has fallen from 34% to 24%. Do you think it is sustainable? Could you help identify the long-term goal on localization?

And Mr. Jain had a few comments around PCPR and some of my comments on PCPR.

When we really look at the localization, our colleagues in purchase and materials at EBIL leveraging the global connections that we have, but more specifically looking at localization have work with a vendor base and the supply base that we see locally here to forecast and actively develop sustainable products that we can source from India for ourselves both here as well as possibly export outside.

We believe that at the current rate, if all the forecast goes and that's where some of the rules of the PCPR have come because my comment from is not necessarily about the PCPR EBIL being there, but the PCPR as a concept really comes through in India is, it helps us from the input side from the raw material side, and developing the vendor base also, right? There was a specific a reference to the hedge, if that complex really progresses as well as, as we, as a nation wanted to be, we would see a lot of our supplier base also being able to leverage that in terms of the economies and logistics and the ability to make it much much more impactful and add much much more local content in India.

So, if things go well, we see a path of being able to reduce the imported content by 6 to 7% over the next 2-3 years. But this is based on the forecast that our supplier base has given to us, looking at their own plans to localize. If that happens and that's how we look at it.

There was a question in terms of the shift to copper to aluminium and the import of Enameled Wire from China, how does that come through? what does that allow us to do? We had anticipated around 50% of the aluminium wire enamel components coming in from China.

Mr. Purkayastha you referred to the stoppage or the noise around reduction in imports. Yeah, we did see that. Your Company was in a position to leverage some of that.

It's typically an aluminium a usage is determined by the factors around the pricing vis a vis the other comparative metal, which is copper and last year, copper was going through a huge swing, which meant a greater amount of aluminum wire consumption.

We were also able to participate, the Company overall has a 50% market share in the Wire Enamel segment or not of 50% and that's similarly, the share that we see for ourselves in, in terms of Aluminum wires.

From that, roughly a 50% of imported aluminum wires, I would say that we did see a stoppage for a brief period of time but coming back to when the industry revived, and the demand came back and saw the inputs are also starting to tend to surge up. So, in our belief, possibly there would have been a reduction of 8 to 10% of imported wire enamel consumption from China, which would have translated to creation of the local demand that combined with and Mr. Loonkar had a question that can you help us understand the global trend of shifting copper to aluminum wire as base metal adoption and trend.

Mr. Loonkar, the aluminum wire usage is determined by customers, depending on the kind of the motor that they look at, the kind of technical specifications that they want to look at and really the size, because there's more aluminium required vis a vis copper. Plus, the factor number four is price. Price was a huge swing last year for copper.

A lot of customers tended to look at aluminum much more closely to keep the costs in control as the demand was coming back and everybody was impacted. So, how do they try and address that in the manufacture of the industry preference of the base metal is. And that's one reason why I would say that on the important wire enamel from China came down, but there was also a spurt that we saw in the manufacture of Aluminum demand, the market also increased. It was just not the Stoppage of imports per se.

That's a few questions that I've tried to address. I'm just trying to look at some.

Then a lot of questions came around CAPEX, trying to look at last year we proposed a CAPEX of 400 Cr. for the expansion, what happens to the existing land of Ankleshwar? what happens to the existing plan of Pimpri? Are we going to consolidate all the manufacturing locations? Then, in light of the CAPEX is our understanding appropriate that growth industry or sub segments are emerging now is that the past and help us expand the addressable market?

There were questions around should either 2 or 3 questions, and then I will come possibly specifically to the CAPEX.

Looking at the way the Industry was really growing, and the volumes forecast that that we look at a CAPEX decision was taken, and I remember Mr. Golecha and Mr. Jain talking about some of the Ankleshwar sanctions that we had and the plans that we had, in fact, we had invested in equipments, to come and start fulfilling that demand or utilization of those approvals.

But more than that, what really came through was the declaration of the whole Ankleshwar region, and a lot of pockets around Gujrat as critically polluted zones so that the courts sort of imposing a ruling said that there cannot be any new projects or any expansion that would happen in the critically polluted zone and Ankleshwar was one of them.

It really meant while, the Company went through some of the challenges that it had with respect to the pollution control, the other ruling also came and sat on top.

Some of the capex's that we had, and equipment's and reactors that we ordered, couldn't be utilized or couldn't be installed for enhancing the capacity and taking it further.

Looking at the prevailing situation at Ankleshwar, while we understand, there's been a slight shift in a court's position and there are possibilities which will emerge in the coming time. The Company is representing to the authorities to understand that and re-evaluate that. The manufacturing base that we have in Pimpri the possibilities to expand.

Your Company decided to go in for a green field. We had applied, like we had talked of in the last AGM, that we had identified a parcel of land that we had expressed an interest in terms of buying, paid part of advance. So, that reflects some of the advances that you see, and the next step was to have the environmental clearance, which will then enable us to take the steps in terms of really mobilizing the site and taking back.

The date for the public hearing that was set for that parcel of land was on the 29th of April. And this was decided in beginning of March or to middle of March, that's how the dates were decided we had gone in for the announcement and said prepared ourselves with all the documentation and the submittals to the relevant authorities to take the steps forward.

Unfortunately, because of the lock downs that were declared in Maharashtra the 29th of April, the date didn't materialize. But as we speak, even the postponement of that, to the next level of 15th of May means that when it comes to the site where we have paid in advance and tried to secure the permissions, we do not have a date having missed the 29th of April, not being feasible because of the government regulations. The next dates haven't been announced yet. So, we would have to wait for our authorities to come back and give us a fresh date. Once those dates are decided we would look at, taking the next step with respect to acquisition of the land and I think Mr. Golecha had a question around how are those advances looking at? Mr. Purkastha, you also had a question about in the footnote we had mentioned around 50 Cr. of a capital expenditure that the Company would spend for that, is primarily for that project and that still is timely for that project. We would have anticipated as we speak today. We would have completed the 1st, phase of the environmental hearing from the public side, which would have meant that the progress would have been faster.

But as we speak, that date is missed, and we do not have a new date. So, we anticipate still some time for it to really happen and take through, but our plan would be to try and take that traction more and more and try and get into the capital expenditure.

Ms. Mascereus had a question around what's our outlook for the next 2 years? So, in terms of and like, Mr. Golecha pointed out the project is divided into 6 phases with phase 1 and phase 2 are getting ready by 2023 and we still anticipate that to be the timelines though it is out of control for the reasons that I just mentioned earlier with respect to the Lockdowns. That's what we anticipate the initial period of the project, because it will entail land acquisition would also mean that there would be significant amount of CAPEX that will go in for the acquisition of land and then the engineering consulting and the engineering detail designing and the engineering procurement for that is something that we would visualize. In a substantial capital spend would be foreseen in the next 2 years, primarily for land acquisition and mobilizing and directing the site and starting it up to be ready for 2023.

Mr. Golecha and a few others had the question. So roughly 73,000 tons is what we are looking at, between all the segments that we are talking of. We see our business mix between Wire Enamels to secondary insulation to still continue at the same level sort of like a 60-40 but we would anticipate that as, as we set ups, specifically, if I may say for phase 1. But in view of some of the developments that we are talking, especially with respect to the electronic space, and some of the EV Space that we are talking of,

we see that 40% getting a higher closer to lifting up a bit as we get into possibly the phase 2 and phase 3 of our projects. Currently, the capacities are still designed at roughly the 60- 40 sort of volumes split 65-35 to 60- 40, but you see that shifting as we go, and we get to possibly the phase 2 and phase 3 of the expansion, depending on how the market moves that would be the investments and for the capital expense that would be sort of taken care of and moving forward.

These were a few requests around the dividend percentage, the bonus shares, on behalf of Board, I would like to respond saying that we would consider and hopefully if things changed, that's something that we would be happy to announce to you at the appropriate time, but not immediately at this point in time.

So, there are some questions around margin maintenance and Mr. Purkayastha that you also had a remark about the operating margins and how things shifted. Mr. Jain, you had a few questions on cost and some Mrs. Mascereus also talked about the cost and the cost savings and the translation of that to how does it shift? Right?

Yes, Mr. Purkayasta. As we mentioned in Annual Report, we did see prices dropping. The input cost dropping last year quite a lot by the shift in Raw material primarily caused by the crude was behaving and then derivatives of crude. We did reap the benefits of that last year, your Company was able to retain quite a bit of that value in itself, which is what is reflected in 2020. But come quarter 4 of 2020 and the 1st, quarter of this year, and as we see a huge amount of supply chain disruption caused by

various factors, including the sudden demands shift, which meant a lot of those vendor base and supplier base was not able to cater to the requirements. The demand supply side changed, which led to an increase in cost and input costs that combined with a couple of factors around the shipping constraints with a shipping container, supply chain and vessel movements also meant a great amount of delay, some of the storms in the US and the southern Texas in the southern part of US also impacted and the chemical supply chain quite a lot. So, as we speak, and as we look at, the current year so far, it's been constrained in terms of the raw material price inputs going up. It also has meant that the demand, and there were questions that on demand. Demand has come back good as you can see from most organizations that have reported that Qtr. 1 or their, Qtr. 4 results for the Jan - March period that has come up your Company is also witnessing similar shift in demand.

Having said that it's constrained by the supply chain, so the nature of demand has been extremely volatile but positive. The ability of suppliers to cater to that demand such at the right prices have been a challenge.

How are we looking at the costs? Are we looking at? So yes, since November, December last year, looking at a particular raw material and value chain your Company has moved prices. I talked to its customers to absorb prices. It's not easy because they themselves are looking at the Value chain differentials so it has been an intense effort that your Company has been doing. Your company has looked at approaching customers, 2 to 3 times for various levels of price increase for various product lines, I would tend to believe that high single digit of price increase, which would have realized as we speak, and we would continue to be keeping a close eye on how that develops and the market's ability to absorb that increase while maintaining the demand. So that's the balance that we will look at maintaining and working through. But yes, there has been a price change and there has been a price increase that your Company has been able to work with the market and get that from our customers. So that's a quick summary.

Ms. Dakve Vasudha had a few questions around the current account so Vasudha Maam, the five odd crores that you see were the possibly collections that came in the last minute I would say your Company and when we talked of the resilience and diligence in mind we did a very good job when it comes to protecting its cash and working capital to those to all the team and the management team, which is present here for having delivered that, that I would just look at that as an aberration, because in the last week of December, some collections that came through a, during that period just be deciding. So that's just a point in time. I'm sure, the team that looks at Treasury and those investments would have already acted on that as soon as possible. Thank you for, quite a lot of the comments about the Covid.

I'm happy to report that. Yes, while a lot of my colleagues and your company's employees did go through Covid. They are all safe, a few people that went through the hospitalization phase, but as we speak, everybody's safe. And thank you. And that's what we wish for. That's what we try and ensure a lot of our actions. So, there are some questions around the cost and people know we did not. The Company did not look at letting anybody go because of the circumstances that prevail because these are employees who are valued, and that's what your Company's belief.

It is a matter of time before the demand comes back and it is important that we protect both our workplaces and our people. So, we've taken the best protection and care that we have, including limiting a physical presence in the office. Unlike a lot of other companies, we happen to be a material Company, so it means that for us to be generating revenue and serving customers, we need much, much more people to be physically present at our sites and locations to serve customer and customer demands. So that's the nature of the industry and within that, whatever best or the most optimal resourcing that the Company can manage with is what it is time to look at keeping all employees protected is another thing, trying to get people ensuring that you are eligible for vaccination is done if somebody's going through a period for himself or his loved ones. Trying to address that and take care so that's something that we looked at. There were few specific questions in terms of fixed costs. Mr. Jain, not a very specific number,

but I would believe that would have shifted off close to 100 and 150 lakhs of our fixed cost because of some of the actions that would have taken in terms of the cost when it comes to the fixed Cost.

Our idea was to ensure that optimize costs and keep that as minimal as possible for whatever is variable and controllable as much. And I believe that as a result would point out we've done a good job, and we would continue to look at.

I would say a Company is blessed to have a longstanding, long associated and diligent employees and the tough times really demonstrated that value. As most of you recognize from what you see in terms of the results Company has delivered. So, I just try to note down a lot of the questions and try and address if there's anything specific, which I may not have addressed please point out to Abhijit or anybody else I'll try and address all.

Mr. Talwar

yes, I think you've done a wonderful job in trying to explain this to the shareholders, I think the directors are also benefited immensely because I don't think in the Board Meeting, we get so much of details as we have got today. So, congratulations.

And I'm sure Shareholders must be extremely happy.

Mr. Ravindra Kulkarni

I think Mr. Srikumar has done a remarkable job with detailed explanation.

Almost, every query has been answered. By the shareholders, and we the Board Members are very pleased with.

Mr. Talwar

Thank you. Company Secretary handover to you.

Mr. Tikekar

Thank you, Mr. Srikumar, now may request Chairman to take over from this point.

Mr. Talwar

All right, may I now authorize Mr. Abhijit Tikekar, Company Secretary to conduct the voting procedure and conclude the Meeting. The e-voting facility will remain enabled for the next 15 minutes. That is up to almost 12.09. The Members who have not cast their vote already can do so. Results will be announced on or before 6 May 2021 and the same will be intimated to the Bombay stock exchange and uploaded on the NSDL website. I and other Members would like to take the leave of the Meeting.

Wish you all the Members very healthy and safe future. Request, you all to be careful and take care of yourself and your families during these challenging times.

Thank you.

Mr. Tikekar

Thank you very much everyone. As Mr. Talwar mentioned voting would remain open for 15 minutes and there will be a ticking timer after that the meeting would be deemed to be concluded.

Thank you everyone once again

Have a nice day and stay safe.
