



**TRANSCRIPT OF 41<sup>st</sup> ANNUAL GENERAL MEETING OF FINOLEX INDUSTRIES LIMITED HELD ON 30<sup>TH</sup> AUGUST, 2022**

- **Moderator:**

Dear Shareholders, Good afternoon and warm welcome to you all for the 41<sup>st</sup> Annual General Meeting of **Finolex Industries Limited** being held through Video Conference for the smooth conduct of the meeting the audio and video of all the members should be in mute mode, the audio and video will be opened only to those shareholders who have pre-register themselves as speakers, please note that as per the requirements the proceedings of the Annual General Meeting will be recorded and will be hosted on the website of the company. I now hand over the proceedings to Mr. Prakash P Chhabria - Executive Chairman of Finolex Industries Limited, thank you.

**Mr. Prakash P. Chhabria – Executive Chairman – Finolex Industries Limited:**

I have the pleasure in welcoming the shareholders, representative of Financial Institutions, Banks, Foreign institutional investors, Mutual Funds, Corporates and Insurance Companies to the 41<sup>st</sup> Annual General Meeting of Finolex Industries Limited, it is now the appointed time for the meeting. The Annual meeting for the financial year 2022 is being held through video conferencing in compliance with the circular issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The company has taken all the steps to ensure that the shareholders are provided an opportunity to participate in the AGM and vote electronically. Participation of shareholders through video conferencing is reckon for the purpose of quorum as per the circulars issued by Ministry of Corporate Affairs and section 103 of the Companies Act 2013, the requisite quorum being present, I formally declared the meeting open.

I now take this opportunity to introduce you the members of the board:

**Executive Chairman** - Mr. Pradeep Rathi, Chairman of the Audit Committee.

**Mr. Pradeep Rathi** – Namaste

**Executive Chairman** - Mr. Ananmi Roy, Chairman of Stakeholders' Relationship Committee

**Mr. Anami Roy** – Namaste

**Executive Chairman** - Ms. Bhumika Batra, Chairperson of the Nomination and Remuneration Committee

**Ms. Bhumika Batra** – Namaste

**Executive Chairman** - Mrs. Ritu Chhabria, Chairperson of the Corporate Social Responsibility Committee

**Mrs. Ritu Chhabria** – Namaste

**Executive Chairman** - Mrs. Kanchan Chitale, Chairperson of the Risk Management Committee

**Mrs. Kanchan Chitale** – Namaste



*Executive Chairman* – Dr. Deepak Parekh, Independent Director

**Dr. Deepak Parikh** - Namaste

*Executive Chairman* - Mr. Saurabh Dhanorkar, Non-Executive Director

**Mr. Saurabh Dhanorkar** – Namaste

*Executive Chairman* - Mr. Anil Whabi, Managing Director

**Mr. Anil Whabi** – Namaskar

*Executive Chairman* - Mr. Soumya Chakraborty, Director Technical

**Mr. Soumya Chakraborty** – Namaste

**Mr. Prakash P. Chhabria:**

Mr. Ajit Venkataraman - Chief Executive Officer, Mr Neeraj Kedia - Chief Financial Officer and Mr. Ashutosh Kulkarni - Company Secretary also present, the representative of the Statutory Auditors and Secretarial Auditors of the company are also present at this meeting from the respective locations. The Register of Directors and Key Managerial Personnel and their shareholding register of members, register of contracts or arrangements in which directors are interested are available for inspection by the members electronically, if they so desire. As the meeting is held through video conferencing the facility for appointment of proxies by the member was not applicable and hence inspection of the proxy register is not available. In compliance with the circulars issued by the Ministry of Corporate Affairs and Securities Exchange Board of India, the notice dated 18<sup>th</sup> May 2022 convening this Annual Meeting and the copy of the Annual Report of the company for the financial year ended 31<sup>st</sup> March, 2022, has been circulated on 6<sup>th</sup> August, 2022, through Electronic mode to the members of the company with your permission I shall take them as read.

**Mr. Ashutosh Kulkarni:**

Thank you with this, I now request our Chairman to kindly address the shareholder.

**Mr. Prakash P. Chhabria:**

Dear Shareholders, Good afternoon. I extend a very warm welcome to all of you to the 41<sup>st</sup> AGM of your company. Our 41<sup>st</sup> year has been a great year. We have delivered a great year despite the challenging conditions, we have made substantial inroads the open market both and plumbing and sanitation pipes while consolidating our rule reputation in agri pipes. Your company lived up to its commitment as proclaimed by its founder late Mr. Prahlad P Chhabria, a man who believe that one has to look for opportunities to help people even if that service demand sacrifices. Over this year each decision of your company has been taken keeping an eye on the future and every relationship has been built for the long-term. The ongoing process we are put in place, the backward and forward integration the people we are highered, the talent we have matured, the training the learning have all come and effectively to contribute to our growth. In F.Y. 22 to our company's total revenue registered the year growth of 34% to rupees 4600 crores and EBITA increased by 300% to 1000 crores and PAT increased to 44 % to 1053 crores. It gives me great pleasure to announce that the board has recommended a final dividend of hundred percent that is rupees 2 per equity share and special dividend of hundred percent dividend of Rs.2 per equity shares, in total of 200% this will be subject to the approval of the AGM and deduction of income at source as applicable, the total displacement is Rs.248 crores. This has only been made possible by the engine that drives a growth our Finolex parivar, you our stakeholders, our dealers,



retail partners, our employees, our factory floor, our suppliers, our management each member has push themselves and their partners to excel taking the success of Finolex as their own personal success.

We had a great year, it's thanks to each one of you, I hope this year has made us proud as it has made me. As we review the last year and prepare to progress into the next year, we should reflect on what exactly does progress mean for us. Does progress mean increase profits or increase manufacturing capacity? Yes, it might mean that to most, but for your company, it is also about the bigger picture, a picture that extends much further to include our entire business, our people and our social goals. For us progress is and should be about advancing relationships and making them stronger and deeper nurturing a growth in the reputation and customer loyalty, for true progress every stakeholder must progress and prosper together and not just once but continuously, this kind of progress should be sustainable. But question is how do we ensure this progress, what do we do? We simply continue to focus on what we been doing all these years, we continue to look for new ways to enhance our quality and experience that we deliver to our customers. We have to stay true to our founder's vision to be always fine and flexible that's it.

Now this progress should it just stop at a factory gates? Not at all, it has to broaden and include a local communities too. We are doing exactly this through a partnership with the CSR arm Mukul Madhav Foundation. There is some really admirable work to be undertaken to improve the standard of living of our extended Parivar and facilitating the aspirations for the future. Working mainly in and around the company's plans situated at Ratnagiri and Urse in the state of Maharashtra and at Masar in the state of Gujarat. In fiscal 2022 the company CSR efforts included Covid-19 relief in multiple states. We keep asking ourselves what more can we do to create a meaningful positive difference in the lives of a community, how else can we ensure that progress and prosperity touches their lives too. With this in mind we have been relentless in spreading hope with those who feel they don't have the right to be hopeful by implementing extensive community care programs and doing inspiring work in the areas of education, health care, sanitation, skill development, social welfare, water conservation, women empowerment and much more. The CSR activities carried by a Company through MMF, is headed by Mrs. Ritu P. Chhabria, Managing Trustee of Mukul Madhav Foundation, a driving force in accomplishing that activity is on day to day basis. I would like to thank you director Mrs. Ritu Chhabria, and her team what dedicated at Mukul Madhav foundation for the tireless work. I also thank all the Finolex employees who assist her, in her work. Ensuring progress for our customers, our stakeholders, our local communities, our environment and yes our bottom line too, this larger perspective is what gives us the momentum to move forward. It is what will keep us going and what we keep us relevant and we step into the future is time to take talk of the journey so far, reminding ourselves of a Legacy in the values we have inherited and building on them. Mrs. Ritu P. Chhabria, Director who retires by rotation and being eligible and offer herself for re-appointment, you are board recommends her appointment. Your board also recommends appointment and re-appointment of directors whole time director and managing director as mentioned in the notice on the 41<sup>st</sup> Annual General Meeting. Together we have to maintain the momentum of the last 41 years and now add to it gushing like the water in a pipes searching forward together not that's real progress. I would like to thank you for the trust you have repose in us over the years. I would like to express my sincere appreciation to the board of directors of your company for the active participation and guidance. I would also like to express my heart will gratitude to all our investors, customers, retailers, dealers, suppliers, employees and other stakeholders for the continued support and faith in Finolex, thank you thank you very much. Before, I take up the questions and comments from shareholders, Mr. Ashutosh Kulkarni, Company Secretary will explain the electronic voting process and other matter.

**Mr. Ashutosh Kulkarni:**

In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies Management and Administration Rules, 2014, the Company had provided remote e-voting facility to its members for the business propose in the 41<sup>st</sup> Annual meeting through Kfin Technology platform. The remote e-voting commenced on Saturday, 27<sup>th</sup> of August, 2022 at 9 a.m. IST and ended on Monday, 29<sup>th</sup> August, 2022 at 5 p.m. IST. The company had appointed M/s. SVD and Associates, practicing company secretary, as scrutinizer for conducting the e-voting process in fair and transparent manner. Members who have not cast their vote electronically and who were participating in this meeting will have opportunity to cast their vote during the meeting through insta-poll i.e. electronic voting process provided by Kfin, members can click on stop all tab on the video conference screen to complete the voting. The auditor's report on standalone and consolidated financial statements and the secretarial auditor report of the company for the financial year ended 31<sup>st</sup> March 2022, do not contain any qualifications, observations or comments or other remark on the financial transactions that has an adverse effect on the functioning of the company. Accordingly the said reports are not required to be read out as per the provisions of Companies Act 2013, thank you Chairman.

**Mr. Prakash P. Chhabria:**

I now invite comments and questions from the speaker shareholders, only on matters relating to the performance of the Company, with a view to our for adequate participation to the other shareholders, I request members who have registered with the company to be as brief as possible and not to repeat questions and also to raise questions only pertaining to affairs of the Company. I request the speaker to take not more than 2 minutes for the questions.

**- Moderator:**

Thank you Chairman Sir, with that we proceed to Q&A session, our first speaker is Mr. Santosh Kumar Saraf from Calcutta, Mr. Santosh Kumar Saraf you are request you to unmute yourself switch on your webcam if you wish to do so and keep it asking the question please.

**Mr. Santosh Kumar Saraf – Shareholder:**

Hello is voice is audible, respected Chairman and other dignities on the Board, I am Santosh Kumar Saraf, speaking from Bangalore, as I reside in Calcutta, hope Directors and other officer are fit and in good health. Company is working good, I am an old shareholder, I thank the Board for good dividend of Rs.2 along with special dividend of Rs.2, you have elaborated much in the presentation, I won't ask many questions, please tell future and capex plan, who is our main competitor, what is our market share, why women employee are less in numbers, what are the steps you are taking in this area. What steps considered for Rain water harvesting and renewal energy, what you think about stoppage of the usage of single usage plastic, there are disputes which are pending from the year 2006-07, what steps you are taking to resolve these? Kfin platform is also good, I also thank the moderator for conducting the meeting smoothly and request if in future physical meeting is conducted there should be a provision for video conference as well of at least 10-15 minutes so that shareholder residing in other places can join the meeting to express their feelings.

**- Moderator**

Thank you Mr. Santosh, we will move onto our next speaker Mr. Bimal Kumar Agarwal from Mumbai, Mr. Bimal Kumar you are requested to kindly unmute yourself switch on your webcam if you wish to do so and proceed with asking the question please, Mr Bimal Kumar Agarwal from Mumbai, we have



not received any input from Mr. Bimal Kumar Agarwal, so we will move on to our next speaker Mr. Rajesh Kewalram Chenani, Mr. Rajesh Kewalram Chenani you are requested to kindly unmute yourself switch on your webcam if you wish to do so and proceed with asking the question.

- **Mr. Rajesh Kewalram Chenani – Shareholder:**

I am audible, Respected Chairman Mr. Chhabria Ji, distinguish board of directors shareholders I am Rajesh Sainani speaking from Mumbai, first of all congratulations for coming with very good results, am being your very old shareholder from time of Finolex Industries, I remember how the share price use to be trading Rs.40, today face value of shares is Rs.2 and share is trading good manner, after stock split in future you can consider for Bonus also, results are very good. I am attending online meeting first time and able to see all the Directors, if you conduct physical meeting next year, well I travel for Indusind Bank, but definitely travel to Pune to attend the AGM. Great words from Swami Vivekanand take risk in life if you win you can lead, if you loose you can guide, so sir we are always the winner, we will lead and guide the other Companies also sir, sir my very best wishes Chhabria sir and to entire Board and Finolex Family, thank you sir.

- **Moderator:**

We will move on to our next speaker Mr. Manjeet Singh from Delhi, Mr. Manjeet Singh you are requested to kindly unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please, we have not received any audio input from Mr Manjeet Singh from Delhi, we have not received any input from Mr. Manjeet Singh, hence we will move on to our next speaker Ms. Rajni Pamnani from Pune.

Ms. Rajni Pamnani you are requested to kindly unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please, Ms. Rajnani Pamnani.

- **Ms. Rajnani Pamnani - Shareholder**

Good Evening, I am Rajani Pamanani shareholder of the Company, I congratulate the management for excellent performance and progressive growth year after year, it is appreciating that the management also consider the interest of the investor's favourably by giving good dividend each year I vote in affirmation for all the resolutions to be passed in the AGM, thank you all for the eminent Board of Director and the management to give me opportunity to speak thank you and God bless

- **Moderator**

Thank you madam, we will move on to our next speaker Mr. Hiranand Kotwani from Kalyan, Mr. Hiranand Kotwani you are requested to kindly unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please.

- **Mr. Hiranand Kotwani – Shareholder:**

I am audible, gentleman

- **Moderator:**

Yes, you are audible

- **Mr. Hiranand Kotwani – Shareholder:**

Namaste to all, and it great please to join you from Kalyan, its a great company to us from right from the beginning shareholder we certainly expecting a reward fund dividend in all this, certainly our expectation was more this is a Rs.5,000 company now, Mr. Chairman what does your future Vision and

Mission for forward and backward integration is there any product in the pipeline the new product will come in backward and forward integration, why we are not to go in the cement Pipe and the other iron ore pipe to kill the competitor, our management is good our staff working well, what is the vision and mission to increase the turnover upto 10,000 crores? the huge growth and prosperity ahead, settling slow growth and bonus not come yet so many year particular it's a right time, the right to rupees two premium, we are very happy but certainly we want more expansion and PAN India produce market is there, thank you gentleman thank you.

- **Moderator:**

Thank you would move onto next speaker Mr Dinesh Amrit Lal Kotecha from Vasai, Mr Dinesh Amrit Lal Kotecha switch on your webcam if you desire to do so and proceed with asking the question please. We have not received any input from Mr. Dinesh Amrit Lal Kotecha, we would move onto next speaker Mr. Dinesh Gopal Das Bhatia from Mumbai, Mr. Dinesh Gopal Das Bhatia we are able to see you but we are not able to hear you is there any Bluetooth or any other speaker or any other headphone that you are using currently? Mr. Dinesh if you hear me please refresh and re-join and we will proceed with the event and then we will give you the opportunity to join latter on.

- **Mr. Dinesh Gopal Das Bhatia – Shareholder:**

First of all, will congratulate you and your entire team for good work in your speech, you have elaborated not only about the business, as well as how the life should be live and ethics should be followed, business is not about earning but what attitude we should adopt. You have good secretarial department, they requested me to attend the AGM, and they have good emotions towards the shareholders. I again congratulate to you and your team, for your hard work by which our share of face value Rs.2 per share vis-à-vis earning per share has increased ~ 17 times, it shows efforts of yours and your team. As my previous speaker said about the bonus issue will not request, however I will request for split of shares from face value of Rs.2 to Rs.1 per share, as today market value for face value Rs.2 share is Rs.150, so that our holding will get double, it will be like mini bonus for us.

- **Moderator:**

We move on to our next speaker Ms. Yashashvi Kothari from Surat, Ms. Yashashvi Kothari you are requested to kindly unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please.

- **Ms. Yashashvi Kothari – Shareholder:**

Congratulations Sir on the great set of numbers, my question is what is the growth we see in the year 2022-23 and the expected EBITA margin and any capex plan that we wish to include in the coming years.

- **Moderator**

Thank you and apologies for getting the salutation wrong Ms. Yashashvi, we will move on to the next speaker Mr. Kirti Shah from Mumbai, may I request Mr. Kirti Shah Ji to unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please

- **Mr. Kirti Shah - Shareholder**

Good afternoon Chairman, I am Kirti Shah from Mumbai, Mr. Chairman you have provide excellent presentation of FY 2022, it is good that Company had showed growth of 35% in profits, however unable to understand the profits are too low for June quarter, profit of June quarter is Rs.101 crores whereas FY 2022 profit stood at Rs.494 Crores, why there is huge difference? Net profit margin for March

quarter stood 30.97% it came down in June quarter to 8.41% only, please elaborate the reason for this difference. Chairman Sir why the promoter holding is low? The Company is good today the price to book value is only 2.31 as per it should stands 8-10, this is 41 years old huge assets base and reserve Company, please inform the valuation of Company, till 2008 there was restriction on promoter holding upto 55%, however now SEBI had relaxed the norms and promoter can hold share upto 75%, perhaps as on date the promoter holding is only 55.20%. Chairman recently DIS has sold huge amount of share, what is the reason behind it, please highlight. Why PE is too low at 8.93 compared to industry PE of 32, what are the reasons for all this, wish you all the best.

- ***Moderator:***

Thank you, we move on to our next speaker Mr. Ramesh Shankar Gola from Hyderabad, Mr. Ramesh Shankar Gola you are requested to kindly unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please, we have not received an input for Mr. Ganesh Shankar Gola, hence will move on to the next speaker with Ms. Celestine Elizabeth Mascarenha from Mumbai.

- ***Ms. Celestine Elizabeth Mascarenhas - Shareholder***

Respected Chairman Prakash P. Chhabria, members of the board my fellow shareholders, I am Mascarenhas speaking from Mumbai. First of all I think the Company Secretary and his team for sending the e-notice and also registering me as a speaker and very much thankful to Kfin platform by which I can express my views and ask my queries, our working is very good very old company PBT, good dividend, good market capitalisation keep it up. I also appreciate the good CSR work done many pictures of colour and also I would like to know whether we have gone for ESG Rating, if yes which agency? I want to know plumbing and sanitary pipes and fittings the w s & w r pipes and fittings, CPVC pipes and fittings sewage pipes, I would like to know in among this in which we have the highest market share and in which we are getting very good margins and weather geopolitical issues have created a bottleneck supply chain, logistics, interest rising oil prices rising could you throw some light on this? we have total employees 1379 plus are they working all from in the office was every alternate day and all I've been given boosters what is the average age and what is the attrition level we have three plants what is the capacity utilisation of this plant lastly what is the future roadmap for the next five years will also with the capex in mind? Thank you so much I support all the resolutions and wish you all good luck and specially good health with this thank you so much for giving me this opportunity to speak once again big thanks.

- ***Moderator:***

Thank you, Ms. Celestine, we will move on to our next speaker Mr. Manoj Kumar Gupta, Mr. Manoj Kumar Gupta you are requested to kindly unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please.

- ***Mr. Manoj Kumar Gupta – Shareholder:***

Good afternoon Respected Chairman, Board of Directors and fellow shareholders, my name is Manoj Kumar Gupta from Kolkata, I have proud on the company that I am shareholder of Finolex, Sir I thanks to your Company Secretary and his team that they take care of the investors and they called twice or thrice after got the registration through Kfin platform either we are attending the meeting or not, such type of services should be there in the corporate houses thanks for your dividend and thanks for your split the shares into 1:5, your split will help the company to increase the liquidity in the market and market capitalisation and attractive small investors to buy the shares of the company and at this moment there is no required to further split of shares in this time and your products are good, because I run Hospitals in Calcutta used your Finolex products in pipeline so your products are good, in eastern part

there is one company skipper but I avoid to buy their product. When plumber came to me and asked me that which company will go I told him to go with Finolex told me that rate of skipper is cheaper than Finolex, however I suggested him to buy the products of Finolex and from last 6 years there is no problem in our water pipe and sanitation, everything is going smoothly so such products are good and on the mark, yesterday I told your officials, there is no specific question, but I will extend my thanks to the Chairman for good products.

- ***Moderator:***

Thank you Chairman Sir, we will move on to our next speaker Mr. Vinay Vishnu Bhide from Mumbai, Mr. Vinay Vishnu you are requested to kindly unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please, we have not received any response from Mr. Bhide, hence we will move on to our next speaker Mr. Ayush Gupta, Mr. Gupta you are requested to kindly unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please, we not received any response from Mr. Ayush Gupta, hence we will move on to our next speaker Mr. Narendra Zaveri from Mumbai, Mr. Narendra Zaveri you are requested to kindly unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please, we have not received any input from Mr. Narendra Zaveri, so we will move on to our next speaker Mr. Aditya Vikram Kejriwal from Kolkata, Mr. Aditya Vikram Kejriwal you are requested to kindly unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please.

- ***Mr. Aditya Vikram Kejriwal - Shareholder***

Good evening Chairman Sir, Board of Directors and everybody present in the AGM, thank you for providing this opportunity to express my views at the AGM, thanks to Mr. Kartik Sir for helping me to join the AGM, I am really happy to see that we are sustaining a growth year on year for the past 41 years, that's huge sir at the used one and maintaining a 20 + profit margin and giving a healthy dividend payout, I wanted to understand few things about the Prime Minister's Har Ghar Nal se Jal scheme it's an amazing scheme and a big opportunity for company no doubt if done right this can see a major boost, to our numbers so would you please throw some light on how we are moving ahead with this? Secondly real estate boom for the past two years real estate sector has seen a huge demand the if we enquire about the flat, that gets sold till tomorrow, huge number of new construction new buildings are coming up use demand of a huge opportunity for our company, Sir do you see any challenges with this, for example I am from Kolkata Eastern part of India not see enough of Finolex products being used by the constructors but more of your competitor supreme industries product being used so why so is there is a penetration is low in the eastern part and if so what do we need to do anything to increase this and lastly Chairman sir my father is a very long time invested more than twenty years he has been investing the Mr. Omprakash Kejriwal, he is a huge fan of you and the company, he always says to buy the share of the Company at any price, as this undervalued Company having a value of not less than Rs.500/- rupees. Thank you for maintaining his trust and his expectation.

- ***Moderator:***

Thank you, we will move on to our next speaker Mr. Yusuf Yunus Rangwala from Mumbai

- ***Mr. Yusuf Yunus Rangwala - Shareholder***

Good Evening Sir, are you able to hear me, today face value of Rs.2 is standing at the market value of Rs.150 and Company has given dividend of 400% this is very good. There are many product which were printed on the pipe, we always use PVR pipes in our home, as they are long lasting. Sir, I have not visited the factory in Pune, if possible tell the Company Secretary Mr. Ashutosh Kulkarni to conduct a plant visit next year. I am thankful to Kfin and Company Secretary for providing me the opportunity



for joining the Annual General Meeting. Please let me know why Foreign Institutional Investors, Life Insurance Corporation of India and Mutual Funds are selling the shares, why this so? And Why promoters are not increasing holding? Wish you a very happy Ganesh Chaturthi.

- **Moderator:**

Thank you Mr. Yusuf, now we will move on to our next speaker Ms. Bharti Saraf from North 24 parghanas, are request you to kindly unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please, we have not received any response from Ms. Bharti, hence we will move on to our last speaker Mr. Bhanu Ramchandra Mehta from Pune, Mr. Bhanudas you are requested to kindly unmute yourself switch on your webcam if you desire to do so and proceed with asking the question please

- **Mr. Bhanu Ramchandra Mehta – Shareholder:**

Chairman Sir and Board of Directors congratulation for showing the best results for the year ended on March 31, 2022. Sir under your leadership Company is growing continuously and wish that the same continue for the years ahead, for the FY ended March 2022 the Company has recommended 200% dividend and thanks to Board of Directors and the Company for the same. I am in favour of all the resolution which were proposed at 41<sup>st</sup> Annual General Meeting, Thank you.

- **Moderator:**

Thank you Mr. Bhanu Ramchandra Mehta, with this we have provided an opportunity to all the investors which were registered as speaker. I handed back to you to continue with the session thank you Sir.

- **Mr. Prakash P. Chhabria:**

Thank you very much I will now go through the questions given to me by each speaker and at times certain questions might get answer with another question so I will not repeat at that time it's all just give a comprehensive answer for everybody. First of all I would like to thank each and every one of you for being a today and taking interest in our company. I thank you on behalf of all employees a board of directors and all the well-wishers for all the blessings and let me try to attempt to answer all your questions.

So the company has a philosophy of giving dividend on the basis of what we decide on the board meeting so we tried to give maximum but there are years if you see on the last 10 years when dividend tax is there at site, on source, or sometimes it is part of the shareholder my point is if you see the amount of rupees that have gone out as a company is much more than what has been the past, as a company we are always trying to see what best we can do for the shareholder as far as the dividend concern. Certain Shareholders mentioned about giving a bonus or splitting the stocks all these are very good advice, the very good suggestions and I will surely take it back to the board, first we have to talk to our internally, then we have to go to our consultants to understand what they see what is the long-term because, see as a company I believe that we have to look a one of the shareholders said that for 41 years we bring consistently, so what we believe and what my late father Shri. Prahlad Chhabria taught us was it whatever we do have to be for the long term, we are not here for the short-term and we should not do short term something, but as the suggestions are coming from various stakeholders I will surely discuss this internally and then bring it to the board to see how we should go ahead. Coming to the point of products so we are manufacturing PVC pipes PVC fittings as well as PVC resin in all if you see on our website we have more than 2000 schemes. These schemes go for different applications one of the biggest application still I mean early more than 80% when it came down to 17 now less than 16-17% is

agriculture pipes and fittings. So the company of the last two three years has been focusing and if you see now the company's sales of pipes and fittings in the non-agri sector which has gone to as much as 35-36 % on a big volume that the company does to move from 20 to 36% for a period of three four years, I think is a good achievement by the team and I must take this opportunity here to congratulate them for putting effort. Going to new products, new products are always good, everybody find the excitement in new product do new things, but what does happen is that we are very cautious because this is a listed company so we are very cautious that, how we are going to use the shareholders money in doing new products. Are we taking an extraordinary risk with the shareholders money in doing something new, it does not mean that we should not try something new but also means that should be try something that we can understand or should we go into something different. For example one of the suggestions was a cement pipe or steel pipe, while they are pipes, their application is different. If you PVC starts from 20 mm and goes up to 400 mm. But if you see the other like cement pipes start from 1,000 mm and goes upto 5,000 mm, they are totally different ball game. Even though it is a pipe it is either transporting or transporting sewage, even though it is doing the same thing it is it totally different ball game. So I find that the growth opportunity to grow in our current business is so much is why should we give it up. Our honourable Prime Minister Modi Ji like one of the shareholder said has come up with so many different, not only for increasing the non-agri demand but also the agri demand, why not keep focusing on how to do more production always doing the same consistent quality being better priced and now a days what has become important is logistics, somebody had mentioned in the question did new things in the world create any logistics, yes it has created lot of logistics issue inbound as far as raw material as well as outbound as far as distribution of the production within India. Our country India is huge geographically we a very big and thanks to the Government of India and Modi Ji, our road infrastructure is getting better and better and better every day. So while it is getting better and the demands are opening up we are also trying to reach into different places. To mention about why are we so not visible in the Eastern part of India, we are there but our population in huge, our geography size is huge, it is quite difficult to be equally present everywhere, so there are certain markets where we are very strong there are certain markets were medium and yes there are certain markets we are weak, and because there are certain markets that a week we still have the opportunity and the potential to grow, there is still so much more growth left in just doing all our products and increasing within our product group. Yes we must thank Kfin for setting up this platform and specially the moderator. I am very sorry that certain speakers even though they wish to speak more they had to be unfortunately requested to stop short because it is the paucity of time everybody has to be given an opportunity especially those sign up to speak and it is difficult otherwise to control the whole moderation. There was mention about rainwater harvesting, single plastic use, so we are already in rainwater harvesting and because of certain states in enforcing rainwater harvesting, the demand of pipes are there in the state has gone up in the company is benefiting from that. Somebody mention about ESG and single plastic, the Company has been started and Company has formed a core team and it is already moving along with the consultants. We spoke about the single plastic use, single plastic use is basically I think restricted to something with bags where the thickness only less than 75 Micron, so none of our pipes are for less than 2-3 mm and they are used for years together so PVC pipes coming in under that category I think is not possible. If the demand for those products because they meet the core fundamental requirement of human beings what do people do? PVC pipes bring in water from source to the user that is a very critical important for everybody across the country, across the world. Every house has sewage out so PVC pipe also carry the sewage out, hygiene. These are two things which will always I feel in my personal opinion which gave us growth opportunity year on year.

There is an angle of profitability, somebody did ask a question why this profitability why the first quarter now. If you'll see interest rates all the geo political issues, have had an impact also on the dollar rupee, have also had an impact on the crude pricing, have also had an impact on various products. Therefore if you see your company quarter on quarter does have result which go up and down but if you see year on year on a bigger spectrum that is on the 12-month spectrum you will always see that we are trying our best in moving forward and ahead. I am sure in the last 10 years they must have been one year we must have not gone up but being in a cyclical industry it is part of the game, going up and down. And hence if you see when we talk about the future what we talk about I talk about products and talk about growth potential in the Country. But to talk about EBITA and profit and profitability is something always hold back on, because those become forward looking statement with very less data, you know data is very important our country is huge and now the whole world has become a village, where small things in other part of world cause effect on something else and that something else cause and effect on crude and crude cause and effect on finally down the line on PVC India. So to be able to give solid forward looking statements is something the world but what we do talk about is that your company is debt free that your company is sitting on a good healthy balance sheet. Somebody mention about the valuation yes I will tell the team to have a look at that on the valuation part and your company is geared up which is very important, due to the hard work of everybody to face storms. If you seen the last two three years there was a storm due to covid, then geo political issues and this will keep all happening they will keep happening but we are geared up and again because we are all here in a world which is so dynamic we have to keep facing it and be strong about it. One of the things that all of did this cause is the prices of PVC is the price of EDC and as mentioned about cycle so there are times when there will be a price delay, in the price going down and being passed on to the market, or price going up and being passed on the market. Those price delays clubbed with inventory will definitely have an effect on the bottom of the company. Also you must please remember many of you have been thank you very much and many of you have been with us for more than 20-25 years, we have an open see Jetty and that open see Jetty has to shut down during monsoon, only because of nature the natural forces of mother nature and during that time we have to build up on inventory. So those are the times when we have to see when the inventor prices are high and the market goes higher after that or the inventory market is low and their inventory prices low and market goes up or goes down and that is what will then cause a prize effect a profit effect on our company during the first quarter. These are the effect which keep on happening quarter on quarter and hence I always suggest request please look at the company on its fundamental and on a yearly basis, a quarter in a cyclical business is very small, I think 90 days is not enough one needs to look at annually.

There was a mention about lifestyle and philosophy, our Late founder Mr. Prahlad Chhabria my father was came from a very humble background, and he lived his life in the same way, what he left behind legacy for the company which we hopefully are following to the dot to the team and that is to make quality products at affordable prices and distribute as wide and as far it is physically possible within our country and this is what we been doing.

Moderator sir I have gone through the questions and think I have answered everything, if you think have left on something that please let me know but otherwise I think I am answered all the questions not perhaps in a line but all together.

- **Moderator:**

Yes, Sir you have covered all the questions, I think there was one thing that Mr. Santosh saraf had asked with related to the fact that the packaging of the PVC pipes comes in plastics, does that fall under the purview of single plastic?

- **Mr. Prakash P. Chhabria – Executive Chairman**

Ok, no that doesn't fall under the single plastic because as I mentioned single plastic uses thickness is less than 75 Micron, even this rapping which we use is much more than that. The company is very conscious about our responsibilities and keeping in mind what are the plastic thickness is that we allowed to use and not allowed to use.

- **Moderator**

Thank you Sir, that covers all the questions, we proceed further.

- **Mr. Prakash P. Chhabria – Executive Chairman**

I hope most of the questions are answered, the Secretarial Department will correspond on remaining queries, if any. Please feel free to contact the Secretarial Department at any time for any clarification.

The results of the vote cast through remote e-voting and the scrutinizer report will be intimated to the stock exchanges and published on the website the company and Kfin website within 2 working days from the conclusion of the AGM, shareholders can review the results from these websites. Members may note that a time period of 15 minutes would be available for voting through insta-poll on the Kfin platform after which the meeting will stand close.

I would like to thank the members, extended family of dealers, suppliers, financial institutions and customers for continuing the faith in us. I would also like to specially thanks Kfin, secretarial department, IT and communications team of Finolex for the smooth conduct of this Annual General Meeting.

Friends before we conclude I am happy to announce the launch of a short film that Finolex has created on my father my late father founder Shri. Prahlad P. Chhabria. It is a short film, and a chronicles something like an inspiration these are inspiring steps of a 14 year old boy who came here and settle down and when he passed away on 5<sup>th</sup> March 2016 the market cap of the group was 10,000 crores but when you come only 10 rupees in his pocket. So it's a movie which is going to be launched the tomorrow morning. It has already won 122 National and international awards, I hope all of you enjoy watching it, will be also on our website so it be accessible tomorrow on the website also, with this I now conclude to the meeting and once again I thank all of you all Jai Hind.

Post conclusion insta-poll period of 15 minutes 41<sup>st</sup> Annual General Meeting stands as concluded.

**(END OF TRANSCRIPT)**