

## NITCO LIMITED

### TRANSCRIPT OF 54<sup>TH</sup> ANNUAL GENERAL MEETING HELD THROUGH VIDEO-CONFERENCING/OTHER AUDIO-VISUAL MEANS, ON SEPTEMBER 25, 2020, COMMENCED AT 11.00 A.M. AND CONCLUDED AT 11.40 A.M.

#### Company Participants:

Name	Designation
Mr. Vivek Talwar	Chairman & Managing Director
Mr. Siddharth Kothari	Independent Director
Mr. Sharath Bolar	Independent Director
Mrs. Bharti Dhar	Independent Director
Mr. Manu Trivedi	Mentor
Mr. Ramesh Iyer	Chief Financial Officer
Mr. Puneet Motwani	Company Secretary

The Scrutinizer, the representatives of the Statutory Auditor & Secretarial Auditors and Shareholder were present.

#### WELCOME ADDRESS:

##### **Mr. Puneet Motwani:**

Dear Shareholders, A very good morning to one and all. It gives me great pleasure to extend you all a warm welcome to the 54th Annual General Meeting of your Company.

As the Board of Directors have nominated Mr. Vivek Talwar as the Chairman for convening the Annual General Meeting, I request Mr. Talwar to preside over the meeting and carry out the proceedings.

#### CHAIRMAN'S SPEECH

##### **Mr. Vivek Talwar:**

Welcome Ladies and Gentlemen, I welcome you to the 54th Annual General Meeting of your Company being conducted through video conferencing. This is the first time we have had to do it through video conferencing. This is first time for me to have attended any AGM like this as the times are such. Hoping that you all are safe and in good health.

Your Company had witnessed another challenging year. Due to unforeseen circumstances which arose due to Covid-19 pandemic and because of the nationwide lockdown been imposed the operations of the company were severely affected. However with easing of lockdown over a period of time company has begun with its operations. Company has been complying with all the guidelines issued by the Central and State Governments in terms of the precautions to be taken. The company has adopted work from home policy during the lockdown period. The company's utmost priority is the health and safety of its employees and stakeholders. Company owned showrooms and office units have started functioning with utmost safety and hygiene protocol's like wearing masks, social distancing norms, workplace sanitation and employee awareness programs. Company has used lockdown period to proactively connect with vendors, dealers and various other trade partners. We have interacted with close to 150 dealers across the country enquiring on their general wellbeing and market updates. We have also initiated a new webinar series during COVID period with eminent architects and industry players participating in topics relevant to real estate sector. These webinars and other initiatives have wide reach across the country and we have been receiving many inquiries since then due to the huge amount of goodwill that has been generated with the influencer community. We conducted various webinars since mid April having a reach of close to 2 lakh viewers from Facebook, Zoom and Youtube. Nitco Limited is the first ever Tile Company which conducted a webinar with the Nepal Architect community which was covered in National TV in Nepal and this was live. All these initiatives have enabled the company to expand the digital footprint in the new normal.

The Company has achieved a negative EBITDA of Rs. 38.74 Crore in Financial Year 2019-20 against an EBITDA of Rs. 3.34 Crore in Financial Year 2018-19. We do believe that the strategy of contract manufacturing now being followed by the Company is appropriate and with the support of all the stakeholders, Company should be able to regain lost ground and achieve improved performance going forward. The company is now focusing on expanding its retail sales. Efforts are being made to improve the brand visibility at dealer counters and improvement in display standards.

Members are aware that JMFARC had restructured the Company's debt effective February 28, 2018. The company has requested LIC for restructuring its outstanding of Rs. 19.05 Crore on terms similar to restructuring done with JMFARC.

It is my pleasure to welcome Mr. Rakesh Kashimpuria who has been appointed in place of Mr. Samir Chawla as nominee director of JM Financial Asset Reconstruction Company Limited.

I acknowledge the efforts, support and valuable guidance of my colleagues on the Board. I further sincerely acknowledge the efforts of our employees, dealers, customers, vendors and JMFARC who have supported us during these tough times.

My special thanks to all of you, and the large family of Nitco Shareholders, for their continued trust and confidence in us. I am sure, with the support of each one of you, as always, NITCO would scale new and greater heights in future and I have no doubts regarding that. We have a plan, hopefully the worst is behind us and things can only be better going forward.

Thank you once again for all of your support, co-operation and patience.

I urge all the stakeholders to take precautionary measures and stay healthy. Wishing for you and your family's safety

**Mr. Puneet Motwani:**

Thank you Mr. Talwar.

Before proceeding ahead let me just introduce you all to our panelist. We have Mr. Kishore Rane, who has joined as representative of the statutory auditor of the company. We have Ms. Krupa Joisar, who is the scrutinizer for this event followed by Mr. Manu Trivedi, who has joined our company as our mentor. Mr. Ramesh Iyer has been appointed as the Chief Financial Officer of the company in place of Mr. B. G. Borkar. Then we have Mr. Sharath Bolar, who is an independent director of the company, Mr. Siddharth Kothari, who is also an independent director of the company, Ms. Bharti Dhar, who is also an independent director, but she is attending the event as an attendee. She was facing some problem hence we are not able to see her in the panelists and we have Mr. Vivek Talwar, the Managing Director and Chairman of our company. Proceeding ahead with the meeting, with the permission of the members, I would like to take the notice dated 13<sup>th</sup> August, 2020 convening this meeting as read. Notice dated 13<sup>th</sup> August, 2020 may please be taken as read. I'll read the auditor's report. Since there are no observations in the auditor's report we can take the auditor's report also as read.

I thank all the speaker shareholders for your registration. I'll just quickly read out for the smooth transaction we'll adhere to. The question and answer session will be anchored by the moderator and he will also call the pre-registered speakers to come up one by one. Members are requested to unmute their microphone before speaking and also enabled their webcam if they wish to appear on the video. Members are requested to mention their name, folio number and location. Members are also requested to restrict their questions to two minutes so that all speakers may get an opportunity to share their views. It may be noted that all the speaker shareholders will be allowed to speak and questions will be answered at the end after all the speaker shareholders have finished. I now request our moderator of CDSL to allow

the shareholders to put forward their questions, if any and allow the speaker shareholders to speak. Over to you moderator.

**Moderator:**

Thank you so much Puneet. Do you want me to call out the names or you are going to call out the names and I can unmute them?

**Mr. Puneet Motwani:**

Okay. So I'll call out the names. First speaker shareholder is Ms. Ashalata Maheshwari.

**Moderator:**

She is not present. We can move on to the next one.

**Mr. Puneet Motwani:**

Lekha Shah

**Moderator:**

Yes she is there. Ms. Lekha you can ask your questions. Thank You.

**Ms. Lekha Shah:**

Respected Chairman Sir, board of directors and fellow members, good morning to all of you. I am Lekha Shah from Mumbai.

**Mr. Ramesh Iyer:**

We are not able to hear her.

**Mr. Puneet Motwani:**

Lekha ma'am can you speak little louder please.

**Ms. Lekha Shah:**

Yes sir. Respected chairman sir, can you hear me?

**Mr. Puneet Motwani:**

Yes ma'am we can hear you. Please go ahead.

**Ms. Lekha Shah:**

Respected Chairman Sir, board of directors and fellow members, good morning to all of you. My self Lekha Shah from Mumbai. I am very much thankful to our Company Secretary, Mr. Puneet ji for providing very good investor services and also sending me the Annual Report by E-mail in such a difficult situation. It is full of knowledge, facts and figures in place. Due to pandemic COVID-19 we all are facing crisis and have to stay home. Thank you chairman sir for explaining us about the company. Congratulations to all for excellent work sir. Before one week and today also our company secretary Mr. Puneet ji called and explained the instructions for attending video conferencing. I am very very grateful to our company secretary Mr. Puneet Ji. Sir I would like to ask a few questions. How is the company preparing itself in a post COVID world? My second question is what are the planning for the lockdown and how is the company implementing those planning? My third question is how are we engaging the employees? My fourth question is what is the roadmap for the next few years? So I would like to say that I support all the resolutions and wish you good luck for the bright future. Thank you sir.

**Mr. Puneet Motwani:**

Thank you Lekha Ji. Thank you so much. Our next speaker shareholder is Mr. Satish Shah.

**Moderator:**

He is not available. We can move on to the next one.

**Mr. Puneet Motwani:**

Mr. Ganesh Shenoy

**Moderator:**

Not Available

**Mr. Puneet Motwani:**

Ms. Prakashini Shenoy

**Moderator:**

Not Available

**Mr. Puneet Motwani:**

Mr. Bharat Shah

**Moderator:**

Yes he is here. Mr. Shah you can ask your questions. Mr. Shah are you there? We can see you but we are not able to hear you sir. I think there is some internet connectivity issue from his side.

**Mr. Puneet Motwani:**

We will move on to the next member and we can come back to Mr. Bharat Shah at the end. The next member is Ms. Smita Bharat Shah.

**Moderator:**

She is not available

**Mr. Puneet Motwani:**

Mr. Beruz

**Moderator:**

Yeah. He is there.

**Mr. Beruz Pouredehi:**

Hello....Hello...Hello can you hear me?

**Moderator:**

Yes sir we can hear you. Please ask you question.

**Mr. Beruz Pouredehi:**

Good morning. We are very happy to see Mr. Puneet Motwani after such a long time. We are happy that the company is also doing well in spite of the pandemic and Mr. Puneet Motwani is a very dedicated and a very selfless Company Secretary.. Sir we support all your resolutions. We don't want to ask any questions. We respect the Chairman and the Managing Director. Thank you very much. Next speaker Mrs. Homayun Pouredehi.

**Mrs. Homayun Pouredahi:**

Good morning. I am Homa, we are really missing the physical AGMs. Sir we used to come to the meeting, meet the chairman and everybody we are missing. Sir also we are also missing today Mr. Borkar. Sir I just want to ask you that as we don't come under essential services so was our factory closed down? Sir if it is closed down when will we reopen. Is it running under the full capacity? Sir you mentioned that your showrooms have opened and you're keeping careful and following social distancing. Sir just these few questions we want to know and what is the situation now and sir what has been the loss on account of the lockdown. This is an unprecedented situation, nobody expected this. Sir we have always been supporting your company as you know and we will continue to support and of course we wish miracle happens and everything turns around and this pandemic will go away. Thank you sir. Thank you very much please give my regards to your sister.

**Mr. Puneet Motwani:**

Thank you so much ma'am. Moving on to the next speaker, Mr. Yusuf Rangwala.

**Moderator:**

He is not present.

**Mr. Puneet Motwani:**

Ms. Vasudha vikas Dakwe

**Moderator:**

Not present.

**Mr. Puneet Motwani:**

Mr. Aspi Bhesania

**Moderator:**

He is not present.

**Mr. Puneet Motwani:**

So this was the list of speaker shareholders. Can you get in Mr. Bharat Shah I think we were able to see him but not able to hear him.

**Moderator:**

Yeah. Just a second. Mr. Shah you can ask your question. Mr. Shah are you there. I think we are not able to connect with him. I think there is some internet connectivity issue from his side.

**Mr. Puneet Motwani:**

Okay. Any other speaker shareholder who would like to speak with show of hand? We can take one or two more speaker shareholders who would like to speak. Ok so I guess there are no other speaker shareholders so mean while we will just answer to the questions asked. I request Mr. Ramesh Iyer sir to proceed ahead.

**Mr. Ramesh Iyer:**

Thank you shareholders for your questions and the appreciation you extended to our team members. There was a question on how we are planning on the post COVID world and the learnings from the lockdown. So I would like to mention to all the shareholders that though it has been a tough time during the COVID scenario as in any other business, our business is also severely affected due to the impact of this pandemic, but there has been immense learnings within our company as this has allowed us to review and reset each and every processes that our company has been handling. So over the last six months and especially during the lockdown period, our senior management team, guided by Mr. Talwar has been completely reviewing and revisiting each and every processes, streamlining the bottlenecks that we are having and we are surely on the way to a successful future in the roads ahead.

Some of the initiatives I'd like to mention to the shareholders. We have been able to revamp all our supply chain processes. We have been able to do an SQ rationalization of our portfolio just to be able to make it more responsive to the market dynamics. We have implemented financial discipline amongst all our new dealers and retail projects post the lockdown period with the view to speed up collections. We have integrated our sales teams to be able to cater to various product groups that our businesses have. So these are just among some of the examples that I would be sharing, but there has been a lot of benefits that the lockdown period has allowed us purely to be able to synergize all our various functions and activities as a company.

No doubt there has been challenges and one of the question was how was our results and how much was our losses due to COVID period? Our quarterly results are already published in the stock exchanges and it is visible. Though it has affected our operations, but at the same time there have been immense learning arising out of the COVID. There was also a question on how we engage with our employees. We have had multiple town hall sessions with our employees where we keep on talking to them about their general well being, about their health, about how they need to ensure their safety mechanisms. We have done that at least three times during the lockdown period.

There was a question on essential services. Our industry doesn't come under essential services and a good part about our operation is that we have been outsourcing our tile product. So our factory was not directly affected because of the lockdown period and post mid may when the lockdown was partially eased our operations also resumed. And over the last three or four months we are seeing good amount of sales happening and month on month our sales and collections have been improving. Though the COVID has affected our operations but we are very confident that in the short term we'll be able to tide over this pandemic. I think those were all the questions that I had to answer. Thank you. Puneet you're on mute.

**Mr. Puneet Motwani:**

Thank you so much Ramesh Sir. We'll proceed ahead since all the questions are answered.

Members are requested to take note that in view of the provisions of Section 108 read with Rule 20 of the Companies (Management and Administration) Rules 2014, your Company has provided the facility to vote electronically to all the members.

You may further note that Ms. Krupa Joisar, from M/s. Krupa Joisar & Associates, Practicing Company Secretary was appointed as the Scrutinizer to conduct the proceedings of the voting in fair and transparent manner. Ms. Krupa Joisar, a person of repute is attending this meeting today and you all can see her on the screen and she shall be conducting the online voting process.

Members are requested to note that those who have already voted by e-voting, online, on the website of [www.evotingindia.com](http://www.evotingindia.com), during the period from 9.00 a.m. on 22nd September, 2020 till 5.00 p.m. on 24th September, 2020 shall not vote today in the online voting. Any vote casted by them or the proxies or representatives on their behalf will be treated invalid and only the voting done between 22<sup>nd</sup> to 24<sup>th</sup> September will be considered valid. I shall before moving ahead, for online voting to be done today, for the benefit of the Members would read out the agenda items one after another.

All the resolutions are proposed by me and because of the online meeting we cannot allow the shareholders to second the resolutions. So I'll just put forward the resolutions.

**Resolution No. 1** - "RESOLVED THAT the Audited Standalone and Consolidated Financial Statements of the Company as at 31st March, 2020 and the Reports of the Directors and Auditors thereon, as circulated to the Members and now laid before the meeting, be and are hereby approved and adopted."

**Resolution No. 2** - Mr. Vivek Talwar retires by rotation and offers himself for re-appointment.

Now the Special business items. The explanatory statement annexed to the notice of the 54<sup>th</sup> AGM provides the requisite explanation and details for these special business items.

**Resolution No. 3** - To approve the remuneration to be paid to M/s. R. K. Bhandari & Co., Cost Accountants (Firm Registration Number 10682) as Cost Auditors of the Company.

**Resolution No. 4** - To approve the re-appointment of Mr. Vivek Talwar as the Managing Director of the Company for a further period of three years w.e.f. April 01, 2020.

Members may proceed to cast their vote online. They have to click on the head EVSN and proceed head to cast their vote online.

This concludes the business of the Meeting and I thank you for our attendance and taking interest in the Meeting. The consolidated results of the e-voting and voting done today will be declared within 48 hours, hereof, after receiving the certified report from the scrutinizers. Since all the items of the agenda have been dealt with and before I declare the meeting as over, I thank you very much for participating in your Company's 54<sup>th</sup> Annual General Meeting. Thank you so much.