

## NITCO LIMITED

### **TRANSCRIPT OF 55<sup>TH</sup> ANNUAL GENERAL MEETING HELD THROUGH VIDEO-CONFERENCING/OTHER AUDIO-VISUAL MEANS, ON SEPTEMBER 24, 2021, COMMENCED AT 11.00 A.M. AND CONCLUDED AT 11.35 A.M.**

#### **Company Participants:**

<b>Name</b>	<b>Designation</b>
Mr. Vivek Talwar	Chairman & Managing Director
Mr. Manish Puri	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 Shareholders, Scrutinizer and the representatives of the Statutory Auditor, Internal Auditors & Secretarial Auditors were present for the meeting.

#### **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 55th 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:**

As the requisite quorum is present, we may start with the proceedings of the 55th Annual General Meeting. Proceeding ahead with the meeting, with the permission of the members, I would like to take the notice dated 11th August, 2021 convening this meeting as read. I welcome you to the 55th Annual General Meeting of your Company being conducted through video conferencing. Hoping that you all are safe and in good health.

Your Company has witnessed another challenging year due to Covid-19 pandemic affecting the operations of the Company. However with easing of lockdown over a period of time your company, had begun its operations in F.Y. 2021. Your 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 had adopted work from home policy during the lockdown period and is gradually opening up office for the staff taking all requisite precautions like sanitization, physical distancing, compulsory masking, temperature checks etc. The company's utmost priority is the health and safety of its employees and stakeholders. Company also looked after the emotional well-being of the employees during these tough times by engaging them in various activities to ease the work from home boredom. In the financial year 2020-21 NITCO launched 27 new franchise showrooms and 214 new dealers were appointed to increase the reach. 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. I have initiated a new webinar series-NITCO Talks during Covid period with eminent architects and industry players participating in topics relevant to real estate sector. These webinars and other initiatives like engaging with them on International Yoga Day helped us build better relationships and keep them connected. Your company conducted Mason Training Programme, in association with Learnet & National Skill Development Corporation in Tonk, Rajasthan as part of the Pradhan Mantri Kaushal Vikas Yojana (PMKVY). Your Company also initiated "Dealer Connect" portal to give the dealers seamless experience. It is a single powerful tool which tracks sales performance, monitors inventory, know the region-wise best performing SKU's and the total leads generated by them under one dashboard. Your Company was part of Kalari- the largest Architecture event in Kerala and Coverings 2021- the premiere international tile & stone exhibition conducted in North America. All these initiatives have enabled the company to expand the digital footprint in the new normal. Your Company has become first Indian and only tile brand to carve an entry as the preferred tile brand supplier for one of the large counter retail entities in the US. Company introduced international standard zero breakage bundle packing in order to control RFCs i.e. "Return from Customer" and that helped in significantly reducing the RFCs. Company also unveiled a wide range of "Made in Italy tiles" that are environment friendly and globally certified as COVID-19 sanitisation resistant, these tiles have the highest durability and unique Italian designs that captivate all the senses.

During FY 2020-21, the Company was able to achieve total revenue of Rs. 327 cr. The revenue decreased by 30% over last year mainly due to Covid-led pandemic. The Company is enjoying strong brand equity in the market. Though the company reported net loss for the year, the operating EBITDA (excluding provisions for current assets and one-off items) from September to March, 2021 was Rs. 3.64 crore. We do believe that the strategy of outsourcing 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.

It is my pleasure to welcome Mr. Manish Puri who has been appointed as an Additional (Non-Executive & Independent) Director of the Company w.e.f. August 07, 2021 in place of Mr. Siddharth Kothari former Non-Executive & Independent Director of the Company whose term got completed on July 14, 2021. Board placed on record its deep appreciation of the contribution made by Mr. Siddharth Kothari during his tenure as an Independent Director.

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.

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.

I'll read the auditor's report. Since there are no observations in the auditor's report we can take the auditor's report as read.

I thank all the speaker shareholders for your registration. I'll just quickly read out for the smooth transaction which 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 enable 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 to allow the shareholders to put forward their questions, if any and allow the speaker shareholders to speak. Over to you moderator.

**Moderator:**

So the first speaker shareholder is Mr. Dinesh Bhatia and he is not present in the meeting. The second one is Vasudha Vikas Dakwe and she is also not present in the meeting. The third one is Lekha Shah.

**Ms. Lekha Shah:**

Can you hear me Sir?

**Mr. Puneet Motwani:**

Yes ma'am we can hear you.

**Ms. Lekha Shah:**

Good morning Puneet Bhai, Respected Chairman Sir, Board of Directors and fellow members, good morning to all of you. Myself, Lekha Shah from Mumbai, Andheri. I am very much thankful to our Company Secretary Puneet Sir for extending very good investor services and also sending me the AGM Notice by E-mail well in time in such a difficult situation, which is full of knowledge with facts and figures in place. So I am very grateful to our Company Secretary Puneet Bhai. Thank you Chairman Sir for explaining us about the Company. Sir, this is the second AGM which is conducted through Video Conferencing, I hope next year by the grace of god situation gets better and we have a physical meeting. Sir, the times are tough and very unpredictable, but I am sure our Company has the ability to deliver growth and increase the shareholder's value in the Company as it has demonstrated this year. I am proud to be a shareholder of this Company. Sir, I am happy to see all the good deeds you have done during these tough times. I pray to god that he always showers his blessings upon you. Sir, I am confident that with your vision and determination you will lead our Company to greater heights and also I pray to god that our Company should progress. Sir, I would like to ask a few questions. Has there been any impact of Covid second wave on Company operations? My second question is how many of our employees were affected by Covid-19? Third question is whether all our employees are vaccinated against Covid-19? Sir, I would like to say that I strongly propose all the resolutions and my best wishes are always with our Company. Thank you sir.

**Moderator:**

So, the next speaker shareholder is Mr. Shailesh Mahadevia, I think he is not present in the meeting and then Kirti Shah, also not present in the meeting, then Satish Shah is also not present then Homayun Pouredahi.

**Mrs. Homayun Pouredahi:**

Can you hear me?

**Mr. Puneet Motwani:**

Yes ma'am we can hear you.

**Mrs. Homayun Pouredahi:**

Thank you. I am missing our physical AGMs which use to come year after year; it was such a pleasure to meet our Chairman and his lovely sister and so on. Well, we heard the Chairman's speech throughout, we are very happy our Company is going global and international which it deserves. Off course there is hardwork on the part of our Chairman and others. Sir, I want to know what about other aggressive marketing strategy you all are adopting as you have mentioned unique ways where you have gone global and also have done marketing? Do we come under essential services? We should come because if we come under essential services that means our factory is running, all the employees are working I am talking about the factory not about the office? What difficulties did you face or any challenges or hindrances w.r.t. the supply chain? Was everything smooth like import and production and our latest plan about plant capacity? Sir, what about the real estate market as it has peaked up? Is it going very well? And Sir, how has the pandemic affected us? Sir, our share price is Rs.22 that is good and we hope it goes up further. We are looking forward to our share price going up further as I have told you many times that we had purchased many years ago at IPO at a very high price anyway we know that Mr. Talwar is doing his best and we also thank the Company Secretary for following up and bring us into this speakers platform. As Sir, two minutes are over so I don't want to talk further. Sir, we wish all your family members and all our Board members all the best. Looking forward to very good days ahead and as some shareholders said next year coming in the physical AGM. I end my speech now.

**Moderator:**

So, next speaker shareholder is Ashalata Maheshwari. (Not clearly audible)

**Moderator:**

Next speaker shareholder is Mr. Bharat Shah, Bharat Shah is not present in the meeting. And the next one is Smita Shah, is also not present in the meeting. We have Vimal Agarwal he has rejoined. Ok, so Chairman Sir we are done with the Q&A session.

**Mr. Vivek Talwar:**

Q&A is over. All the speakers who wanted to talk are over?

**Moderator:**

Yeah. Only 3 were present and we are done.

**Mr. Puneet Motwani:**

We will proceed ahead.

**Mr. Ramesh Iyer:**

Mr. Talwar, we will have to answer some of these questions, so maybe I'll answer some of the questions. The pandemic has affected everyone globally and our Company was also not spared from the impact of the pandemic so definitely the operations were not smooth during the F.Y 2021. Some of our people have got affected. In the first wave very few people got affected but in the second wave many of our people got affected and as mentioned by our Chairman Mr. Vivek Talwar we were providing support to employees, their family members by giving them medicines and we also followed social distancing and work from home policy. Our 15-20 employees got affected due to Covid-19 pandemic, it was a tough time for all of us but good thing is that we are able to bounce back from the tough times. Post the first wave, we have been recording good performances and we could get back to the pre-covid level till the second wave started. Over all though the pandemic affected the first part of the year the second part we were able to perform better. No, we are not under essential services, as our product does not qualify under essential services. In terms of plant capacity, plant started running in full capacity in the second half of the year as first half was hit by the pandemic. The real estate market has definitely started to boom now, we saw good recoveries towards the second half of the year and we are seeing good order books and demand and that will definitely help us. Last question was related to the marketing strategy, so we do have strategies in place, new products are being launched and our competency is in terms of NPD and design, so we follow that. Unfortunately, we could not implement many of the strategies this year but in FY 2022 and going forward we would embark on these. I think these were the questions and I hope I have answered all of them. Over to you Puneet.

**Mr. Puneet Motwani:**

Ankit, Ashalata Maheshwari has been trying again and again. Can you try to connect her please? Ashalata Ma'am can you hear us? Maheshwari ji are you there?

**Mr. Manu Trivedi:**

I think she is unable to hear you Puneet.

**Mr. Puneet Motwani:**

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 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 21st September, 2021 till 5.00 p.m. on 23rd September, 2021 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 21st to 23rd 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 resolutions for your ease.

**Resolution No. 1** - To consider & adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2021 and the Reports of the Directors and Auditors of the Company thereon;

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

**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 appointment of Mr. Manish Puri (DIN: 02615918) as the Non-Executive and Independent Director of the Company for a term of five consecutive years w.e.f. 7th August, 2021 upto 6th August, 2026

Members who have not casted their vote during e-voting may proceed to cast their vote online and the voting window will be open for 15 minutes.

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 two days 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 all the members for participating in your Company's 55th Annual General Meeting. Thank you so much.