

Orient Bell Limited

Transcript of the 45th Annual General Meeting Dated 21st July, 2022

Mr. Yogesh Mendiratta, (Company Secretary):

Dear Members, Good Afternoon and warm welcome to the 45th Annual General Meeting of Orient Bell Limited. Before I handover to the Chairman to declare the meeting open, I would like to highlight certain points.

Today the AGM is being held through Video Conferencing in compliance with the circulars issued by Ministry of Corporate Affairs and Securities & Exchange Board of India. The joining of this meeting opened 30 minutes prior to the scheduled time of commencement of the meeting. The meeting will remain open for another 15 minutes of time after the end of the meeting. I would like to put forth certain points which are relevant for participation in this meeting.

Facility of joining through Video Conferencing is being made available for the Members on First Come First Served basis. The large shareholders, promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship & Grievance Committee, Auditors etc. are allowed to attend the AGM without any restrictions on account of first come first serve basis.

Since there is no physical attendance of the members, the requirement for appointing proxies is not applicable. However, the body corporate is entitled to appoint authorized representatives to attend the AGM through VC and participate and cast their votes through e-voting.

The registered office of the company at Sikandrabad, Uttar Pradesh shall be deemed as the venue for this AGM and proceedings of the AGM shall be deemed to be transacted thereat.

All the members who have joined this meeting are by default placed on mute to avoid any disturbance arising from background noise and to ensure smooth conduct of the meeting.

The Company has received requests from few of the members for registration as speaker shareholders. Considering the paucity of time, requests to speak received from only five shareholders will be taken up. Once the Question – Answers session starts, Chairman will announce the names of the shareholders one by one. The Speaker Shareholder will thereafter be unmuted by the host to start speaking. Speaker Shareholders are requested to turn their audio-video on. If the speaker shareholder is not able to join the video for any reason, the shareholder can speak through the audio mode only. While speaking we would request the speakers to use the earphones so that he is clearly audible, minimize any noise in the background, ensure that wi-fi is not connected to any other device, no other background applications are running and there is proper lighting to have a good video and audio experience. If there is connectivity problem at speaker's end we would ask next speaker to join. Once the connectivity improves, the speaker shareholder

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may be called again to speak. We would like to request shareholders to kindly limit their speech to 3 mins.

Non-registered shareholders as speakers who are attending this meeting through VC may also express their views and raise questions in the chat box provided. Responses for the questions, if any will be provided either during the course of the meeting or thereafter separately depending on the availability of time.

At this juncture about 51 members are present and hence adequate quorum is present to conduct this meeting.

With this, I now request the Chairman to take over for the rest of the proceedings.

Mr. Mahendra K. Daga (Chairman):

Thank You Yogesh. Good Afternoon all Shareholders. I welcome you all to the 45th AGM of Orient Bell. As the requisite quorum is present I Mahendra K. Daga, Chairman of the Company declare the meeting open.

I thank all the Members for joining this meeting and I expect all of you are safe and in good health. I welcome other colleagues on the Board of your Company to the 45th AGM. Now I request the Directors to introduce themselves.

Mr. Mahendra K. Daga pronounced the name of Mr. Madhur Daga.

Mr. Madhur Daga: Good Afternoon everyone. I am Madhur Daga, the Managing Director of the Company and I am attending the AGM through VC from Delhi.

Mr. Mahendra K. Daga pronounced the name of Mr. K.M. Pai.

Mr. K.M.Pai: Good Afternoon everyone. I am K.M. Pai, I am Non-Executive Independent – Director. I am attending the AGM through VC from Bangalore.

Mr. Mahendra K. Daga pronounced the name of Mr. Sameer Kamboj

Mr. Sameer Kamboj: Namaskar. My name is Sameer Kamboj, Independent Director and Chairman of Audit Committee of the Company. I am attending this AGM from Faridabad.

Mr. Mahendra K. Daga pronounced the name of Mr. P.M. Mathai.

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Mr. P.M. Mathai: Good Afternoon everyone. I am P.M. Mathai. I am an Independent Director and Chairman of Nomination & Remuneration Committee of the Company. I am attending this AGM from Gurgaon.

Mr. Mahendra K. Daga pronounced the name of Ms. Tanuja Joshi

Ms. Tanuja Joshi: Good Afternoon to all. My name is Tanuja Joshi, Independent Director and Chairperson of Stakeholders Relationship & Grievance Committee of the Company. I am attending this AGM from Delhi.

Mr. Mahendra K. Daga (Chairman): Apart from the Directors, the key executives of the Company including Mr. Aditya Gupta, CEO, Mr. Himanshu Jindal, CFO and Mr. Yogesh Mendiratta, Company Secretary are also present at the meeting. The Representatives of our Statutory Auditors and Secretarial Auditors are also present at this meeting.

For further proceedings, I hand over to Company Secretary.

Mr. Yogesh Mendiratta, (Company Secretary): Thank you Chairman Sir. Ladies & Gentlemen, in compliance with circulars issued by MCA and SEBI, this AGM is being held through Video Conference. A live streaming of this meeting is also being webcast on NSDL's website.

The Company has taken requisite steps to enable members to participate & vote on the items being considered at this AGM. Members who have not voted earlier through remote e-voting can cast their vote in the course of the meeting through e-voting facility.

The Registers as required under the Companies Act, 2013 are open for inspection.

Since the notice is already circulated to the members, the same is taken as read. The Auditors Report on the Standalone & Consolidated Financial results for the financial year ended 31st March, 2022 does not contain any qualification, reservation, adverse remark or disclaimer. The comments or observations under Secretarial Audit Report have been adequately replied by the Company in Directors report. Accordingly, the said reports are taken as read.

Now, I request the Chairman to deliver formal address.

Mr. Mahendra K. Daga (Chairman):

Thank you. Yogesh.

Dear Shareholders,

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It gives me immense pleasure to welcome you all to the 45th Annual General Meeting of Orient Bell Limited.

We outshined in FY 2021-22 despite the challenges brought up by the second wave of COVID-19 and the consistent increase in energy and other costs.

Your company has registered Net Sales of Rs. 651 Crores as against Rs. 500 Crores in FY 2020-21 registering a growth of 30%. Through concerted efforts on all fronts, we were able to improve our EBITDA to Rs.58.7 crores versus Rs.37 crores last year- an increase of 58.7% y-o-y.

Given the strong performance, the Board of your Company has recommended a higher dividend of 10% as against 5% payout for the last year.

The Company continues to remain focused on “Scale Up” and to enable the same, we have announced investments in 3 new capex growth projects which will “go live” in FY23.

With these words, I would like to thank the channel partners, suppliers, bankers, business partners and other stakeholders for their continued co-operation and support. I would also like to place on record for the dedicated services and contribution made by the employees of the Company at all levels.

Finally, my deepest gratitude to the Board for its guidance and to all shareholders for reposing faith in your Company.

Thank You very much.

With this, I hand over to Mr. Madhur Daga, Managing Director of the Company to say a few words.

Mr. Madhur Daga: Thank You Chairman.

Dear Shareholders.

A warm welcome to you all. Fiscal year 21-22 was again a year flout with uncertainties and extreme volatility through which we navigated successfully.

We wended into a New financial year with new hope and endeavor to do better every day.

Fast and being complacent, we continue to build a stronger company. Over the last five years and so I have worked very hard to build an absolutely awesome passionate, crazy at times but professional team of leaders at OBL. Though I am always around as a sounded board. I am

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interested them with a vision and the strategy for their respective functions. We do have healthy discussions and debates on possible approaches and outcomes but I really like to build a strong ownership with them too. I have a lot of gratitude for being able to get a set of likeminded leaders to take charge of their various functions. These professionals bring all the expertise from their tenure while working so much larger companies and this is the knowledge that will be critical for us to scale up and build OBL and confident that this leadership team at the end will drive business outcomes aggressively. Each one of us should be focused and invested in maximizing our inputs every day and the outcomes will follow. The Outcome is off course important but largely out of our control. If you are able to do everything each day the results will come. If not today then tomorrow. This is the mindset and message that i pass to everyone in the company. I would like to place on recurred my sincere thanks to all the shareholders for attending this meeting. I would also like to thank the OBL teams for dedicated efforts and consistency for strengthened operations.

With that hand it over back to Chairman. Thank You

Mr. Mahendra K. Daga (Chairman) : Thank You Madhur. For further proceedings, I hand over to the Company Secretary.

Mr. Yogesh Mendiratta, (Company Secretary): Thank You so much Chairman.

I would like to mention that as per the Companies Act, 2013 and SEBI Listing Regulations which provide for electronic voting, the Company has provided to its members a facility to cast their votes through the remote e-voting system administered by NSDL. Facility of voting at the meeting is also provided to members present in the meeting and who have not yet voted. Members may please go to the voting page of NSDL e-voting website and cast their votes while at the same time watch the proceedings of the meeting.

The Notice calling AGM contains ordinary businesses as well as special businesses on Agenda. The Ordinary Businesses include the adoption of Annual Accounts for FY 2021-22 and the Reports of Auditors and Directors thereon, the re-appointment of Mr. Mahendra K. Daga who is retiring by rotation, the declaration of dividend @ Re. 1/- per equity share and appointment of M/s S.R. Dinodia & Co., LLP as statutory auditors in place of retiring auditors. The Special Businesses include the approval of related party transactions by way of Ordinary Resolution and the approval for the payment of remuneration by way of commission attributable to the net profits of the Company to the Non-Executive Directors for FY 2022-23 and thereafter by way of Ordinary Resolution.

Ms. Ashu Gupta, Practising Company Secretary has been appointed as Scrutinizer to Scrutinize the votes cast at the meeting and through the remote e-voting. Since the AGM is being held through

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Video Conference, and the resolutions mentioned in the notice convening this meeting have been already put to vote through remote e-voting, there will be no proposing and seconding of resolutions.

I will now request the Chairman to proceed further with the meeting.

Mr. Mahendra K. Daga (Chairman): Thank You Yogesh.

Now I will take Questions and invite the Speakers who have registered themselves as Speaker Shareholder. First Ms. Yanika Verma.

Moderator: Yanika is online.

Ms. Yanika Verma: Good afternoon everyone. Myself Yanika. First of all i congratulate all of you for all the good changes that happen in FY 21-22. Many Congratulations. Sir hamari Company ne capacity expansion ke liye jo CAPEX expenditure kiya he aur jo hone wala he, it will add growth to our company and its good for our company. And I am really thankful for increment in dividend this year. I wish future of tiles industry keep rising. All the very best for the FY 22-23. Thank You.

Mr. Mahendra K. Daga (Chairman): Thank You Yanika and now I invite the next Speaker Mr Raj Kumar Sehgal.

Raj Kumar Sehgal: I just want to confirm what are the factors or the reason which you believe that our Company stand outs always amongst the Competition?

Mr. Mahendra K. Daga (Chairman): Good Question. Thank You Raj Kumar and now invite the next Speaker Mr. Chinmaya Khatua.

Chinmaya Khatua : Good evening Sir, I am Chinmaya Khatua. Thank you for giving me this opportunity. Actually I do not have any specific question. However, I would like to congratulate the management for the performance of the company and I wish all the best for the future. Thank You Sir.

Mr. Mahendra K. Daga (Chairman): Thank You Chinmaya and now I invite the next Speaker Ms. Astha Kapur.

Ms. Astha Kapur: First of all Congratulations for a fabulous results and thank you for giving me an opportunity to speak. I would like to ask that how much price increase has been taken during the last financial year?

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Mr. Mahendra K. Daga (Chairman): Thank You Astha and now I invite the next Speaker from the Equity Intelligence India Private Limited.

Moderator : Sir, no person is joining through Equity Intelligence India Private Limited. We have another shareholder online i.e Mr. Parthiban

Mr. Yogesh Mendiratta, (Company Secretary): Can you please take him online then.

Mr. Parthiban M. P : Hello sir. Congratulations on the great results. Also would like to know how is the company do to going forward and thankyou for giving the chance to speak.

Mr. Mahendra K. Daga (Chairman): Yogesh, any more questions, any more comments?

Mr. Yogesh Mendiratta, (Company Secretary): I think the question was.

Mr. Mahendra K. Daga (Chairman): It was not a question it was just like comment.

Mr. Yogesh Mendiratta, (Company Secretary): Sir, no more questions but we have received certain messages in the chat box. Which will be replied offline due to the paucity of time. It will be replied online by the official of the Company. Chairman Sir, over to you.

Mr. Mahendra K. Daga (Chairman): Now, we have received all the questions and all the comments and observations. I thank Yanika and Chinmaya for their inspiring and kind comments.

The questions by the other Speaker shareholders will be answered in specific by the executives of the Company. The rest of the questions will be answered offline in view of paucity of time. MD please takeover.

Mr. Madhur Daga (Managing Director): Thank You Chairman.

I will be answering the question asked by Raj Kumar Sehgal I believe the question was what is it that makes Orient Bell unique and stand out among Competitors?

So, Mr. Sehgal there are a lot of factors that actually make us unique but the one thing that I think I would like to point out is Digitization. I have always been a very big believer in processes. Our leadership team have come from very large companies where process are very important and been able to actually implement the same in our company but we have gone a step further where all of these processes from Manufacturing to Dispatch including Payments etc are now all digitized and all information is available transparently with our business partners, our channel partners. So we have made it very very easy like no one else in the industry. We have made it very easy for our Channel partners to do business with us because they now have access to all real time information that they may need for example payments, pending material, stock, transit time, dispatch time etc.

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So our vision in the company really is how can we make tile buying & selling easier as easy and pleasurable it can be for our partners and consumers and through this digitization of process we are moving in the right direction and doing thing as nobody else in the industry is doing. So this step of digitization and processes is actually going to already is and is making us stand out. Something else I like to quickly highlight is our Website. So our website in FY 19 would get may be 8,000 hits per month, now we are getting more than 10000 almost 12,000 hits a day. So this also is a valuation that all the efforts that we are doing in digital field is being adopted and like by customer were actually using this domain a lot more to interact and engage with us. So that really is what is disrupting the industry as far as Orient Bell goes. I'll handed back to the Chairman. Thank You.

Mr. Mahendra K. Daga (Chairman): For other questions, I request Aditya to pls. reply.

Mr. Aditya Gupta (CEO): Good After noon the next question was asked by Astha Kapur. She had asked about the price increase that have been taken in FY 22.

We had 3 rounds of price increases last year:

For own manufacturing each price increased by 3-5% and we took this price increases one in April one in Sept, 21and the last one was in Nov, 21.

For traded products, the price increase were far more steeper in the range of ~6-8% each time. Once again three price increases one each in Sept., Oct and Nov.

With this, I just hand it over back to Chairman. Thank you.

Mr. Mahendra K. Daga (Chairman): I want to thank all the shareholders for joining in this AGM through VC and making this AGM a success.

The e-voting process will remain open for the next 15 minutes to enable those Members who have not casted their vote and would like to cast their vote and thereafter the meeting will stand concluded.

The results would be announced within two working days of the conclusion of AGM and the same would be intimated to the Stock Exchanges and will also be uploaded on the Website of the Company and NSDL. With your consent, I and other Board Members would like to leave the meeting and request all shareholders a healthy and safe future.

Thank You very much.