

**Orient Bell Limited**

**43<sup>rd</sup> Annual General Meeting Transcript Dated 13<sup>th</sup> August, 2020**

**Mr. Yogesh Mendiratta, (Company Secretary)**

Dear Members, Good morning and warm welcome to the 43<sup>rd</sup> Annual General Meeting of Orient Bell Limited. Its 11:00 a.m and time to start the 43<sup>rd</sup> Annual General Meeting. The Chairman of the Board, Mr. Mahendra K. Daga has submitted his leave of absence stating his inability to attend this Annual General Meeting due to some unavoidable circumstances. In his absence, in terms of Articles of Association and Secretarial Standards issued by Institute of Company Secretaries of India, the Directors present at the Annual General Meeting may proceed to appoint a Chairman among themselves for this meeting. Now, let me introduce the Directors present at the Meeting. To my left is sitting Mr. Madhur Daga, who is Managing Director of the Company. Mr. P.M.Mathai who is the Chairman of Nomination and Remuneration Committee and also the Independent Director of the Company. May I request Mr. Mathai to unmute yourself.

**Mr. P.M.Mathai**

P.M.Mathai, present from Gurgaon.

**Mr. Yogesh Mendiratta, (Company Secretary)**

Thank you Sir.

Mr. K.M.Pai, who is the Non-Independent and Non- Executive Director of the Company.

**Mr. K.M.Pai**

Hi, I am attending from Bangalore.

**Mr. Yogesh Mendiratta, (Company Secretary)**

Thank you Sir.

Mr. Sameer Kamboj, who is the Chairman of the Audit Committee and Independent Director of the Company.

**Mr. Sameer Kamboj**

Namaskar, I am Sameer Kamboj attending from Faridabad.

**Mr. Yogesh Mendiratta, (Company Secretary)**

Thank you, Sir.

Ms. Tanuja Joshi, who is the Chairman of the Stakeholders Relationship & Grievance Committee and Independent Director of the Company.

**Ms. Tanuja Joshi.**

Good Morning, I am Tanuja Joshi attending from Delhi.

**Mr. Yogesh Mendiratta, (Company Secretary)**

Thank you Mam

Now let me request the directors of the Company to choose the Chairman for this meeting.

**Mr. K.M. Pai,**

Hi, I am K.M.Pai. I propose the name of Mr. Madhur Daga the Managing Director of the Company to be the Chairman for this meeting.

**Mr. P.M. Mathai,**

This is P.M.Mathai, I second the propose given by Mr. Pai for Mr. Madhur Daga.

**Mr. Yogesh Mendiratta, (Company Secretary)**

Thank You Sirs for choosing Mr. Madhur Daga as the Chairman of this meeting. Today the Annual General Meeting is being held through video conferencing and other audio visual-facility 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 which is 11:00 a.m. and it will remain open for further 15 minutes i.e. up to 11:15 a.m. I would like to put forth certain points which are relevant for participation in this meeting.

- Facility of joining this through Video Conferencing/ Other Audio Visual Means 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 bodies corporate is entitled to appoint authorized representatives to attend the AGM through VC or Other audio/video means 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.
- The Members were provided an opportunity to inspect all the documents referred to in the notice and explanatory statement by writing to the Company at its email ID i.e. investor@orientbell.com till the date of AGM.
- 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 request from five members for registration as speaker shareholders. Once the Question – Answers session starts, Chairman will announce the names of the shareholders who have registered themselves as speaker 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 devices, 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 will 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 today 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.
- During the AGM if a member faces any technical issue he may contact the helpline no. as mentioned in the notice of the AGM.

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

**Mr. Madhur Daga (Chairman)**

Thank You Yogesh. Good Morning all Shareholders. I would like to welcome all the shareholders to the 43<sup>rd</sup> Annual General Meeting of Orient Bell Limited. I thank the Directors for electing me as Chairman of this meeting. As the requisite quorum is present I Madhur Daga, Managing Director of the Company now call the meeting to order.

Apart from the Directors, the key executives of the Company including on my left Mr. Aditya Gupta, Chief Executive Officer, to his left Mr. Himanshu Jindal, Chief Financial Officer and to

my right 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.

I thank all the Members for joining this meeting. I hope all of you are safe and in good health. Due to COVID-19 concerns, lockdown and the social distancing norms, the Company is for the first time holding this AGM through Video Conference. This is in compliance with the directions & guidelines issued by Ministry of Corporate Affairs. 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 notice and the Annual Report for the Financial Year 2019-20 have already been circulated to the members electronically. With your permission, I shall take them as read. The Auditors Report on the Standalone & Consolidated Financial Statements and the Secretarial Audit Report of the Company for the financial year ended March 31, 2020 does not contain any qualification, reservation, adverse remark or disclaimer. Accordingly, the reports are not required to be read out as provided in the Companies Act, 2013.

Now, Let me begin my formal address to the Shareholders.

**Dear Shareholders,**

A very Good Morning to all of you.

I extend the warm welcome to each and every shareholder attending this 43<sup>rd</sup> Annual General Meeting of Orient Bell Limited.

Fiscal 2019-20 was a challenging year in terms of tough market conditions. Tight liquidity, muted real estate and construction activities restricted volumes and topline. The outbreak of COVID-19 pandemic followed by the unprecedented lockdown in the country also impacted Q4 FY 20 revenues adversely. Pricing, primarily that of vitrified tiles, remained under pressure while there was no major respite on energy cost front impacting margins.

Despite the headwinds, driven by the sheer passion to excel, your Company succeeded in achieving certain key milestones during the course of the year. Let me take you through a few of these:

- Cost base improved further led by optimization of manufacturing KPI's, savings from supplier renegotiations and sharp monitoring of administrative overheads. Overall fixed costs reduced by ~9% despite increased investments on marketing.

- Core Cash Conversion Cycle was reduced by ~19 days due to sharp focus on collections, improved production planning and renegotiation on payment terms with key suppliers. Improved working capital along with cash flows development from core operations during the year, resulted in reduction of net debt by ~50% over March 2019.
- The strict financial prudence exhibited by your company also was reflected through the reaffirmation of the credit ratings by CRISIL as A-/Negative.
- On the Sales front, the focus on High Value Products(HVP) continued – HVP now contributes ~40% of our total sales while the proportion of Vitrified tile sales has also increased to ~38%. We also added 20 new OBTB's (Orient Bell Tiles Boutique) last year to improve our footprint of displays. The Company continues to focus on opening more and more showrooms at conspicuous places throughout the Country to increase the connect with our customers.
- New Product Launches continued as well to cater to the changing consumer preferences. The Company introduced new product categories such as Full Body, Valencica, Step Tiles and Pavers from our own manufacturing locations apart from rejuvenating the existing array of designs across products with the launch of Multiplica and Inspire series.
- The thrust on Digital means to create brand awareness using social media platforms and other customer centric tools like virtual showrooms also continued during FY20. The branding efforts of your Company are being noticed and recognized externally. Realty+, a key publication focusing on real estate, recognized our marketing campaign as the Best Integrated Brand Campaign at Interior Exterior Award 2020. It also recognized our newly re-launched website as the 'Website Of The Year'.

Dear Shareholders, COVID-19 pandemic has created uncertain conditions and unforeseen and challenging circumstances for the business environment not only in India but throughout the World. The interdependence of supply chains, non-availability of labour and tight liquidity are some of the major challenges faced by Real Estate and Construction Sector in these unprecedented circumstances. Despite the challenges, your Company continues to remain strong and has responded to the challenges with perseverance and agility. We engaged proactively with our Customers, Vendors and Employees and also resumed production and dispatch in a phased manner post lockdown while ensuring strict adherence to safety norms.

I strongly believe that India, the torch-bearer in the fight against COVID, with its concerted efforts and seamless schemes of development, will emerge from this crisis in a short span of time and will show tremendous progress in the post COVID world.

At the end, I would like to thank the Government, our Lenders, Customers and Vendors for their consistent support. I would also like to appreciate the untiring efforts of our team here at Orient Bell who continue to work relentlessly towards building brand OBL for the next decade.

My deepest gratitude to the Board for their guidance and to all shareholders too for reposing faith in our Company. Thank You.

**Mr. Yogesh Mendiratta, (Company Secretary)**

Thankyou so much Chairman for the formal speech.

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 the members present in the meeting and also 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.

Ms. Ashu Gupta, Practising Company Secretary has been appointed Scrutinizer to Scrutinize the votes cast at the meeting and through the remote e-voting. Since the AGM is being held through Video Conference/ Other Audio Visual Means, and the resolutions mentioned in the notice convening this AGM have been already put to vote through remote e-voting, there will be no proposing and seconding of the resolutions.

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

**Mr. Madhur Daga (Chairman)**

Thankyou Yogesh. Now I will take Questions and invite the Speakers who have registered themselves as Speaker Shareholder. First Mr. Mukesh.

**Mr. Mukesh**

Hello, Good Morning Sirs and Madam and i would like to have a great greetings of the day. I have one question. The Company has reported de-growth in top line consistently last two years. While I appreciate that measures has taken for cost reduction and at cash flow front but by when we can expect the Company to return growth of topline.

**Mr. Madhur Daga (Chairman)**

Thank You Mr. Mukesh and now I invite the next Speaker Mr. Raj Kumar Sehgal.

**Mr. Raj Kumar Sehgal**

Good Morning. Am I audible?

**Mr. Yogesh Mendiratta, (Company Secretary)**

Yes.

**Mr. Raj Kumar Sehgal**

I just asking one question in my mind that Company is been declaring dividend from the last three decades. But if any reason that why dividend has not been proposed for this financial year 2019-20.

**Mr. Madhur Daga (Chairman)**

Thank You Mr. Raj Kumar Sehgal and now I invite the next Speaker Mr. Shaik Liyakhat.

**Mr. Shaik Liyakat**

Am I audible? <Distracted voice>

**Mr. Yogesh Mendiratta, (Company Secretary)**

Can we take the next speaker since he has some internet problem, it seems.

**Mr. Madhur Daga (Chairman)**

So now I invite the next Speaker Ms. Meenu.

**Ms. Meenu**

Hello! Hello!

**Mr. Aditya Gupta (CEO)**

Yes, Please speak up.

**Ms. Meenu**

Hello! Am I audible?

**Mr. Aditya Gupta (CEO)**

Yes you are.

**Ms. Meenu**

Ok. Sir, I am having some bandwidth issues. So I am not enabling my video. Is that ok?

**Mr. Aditya Gupta (CEO)**

That's fine. Pls. go ahead.

**Ms. Meenu**

Sir, my question to you is that - What is your outlook for the tiles industry?

**Mr. Madhur Daga (Chairman)**

Thank You Ms. Meenu and now I invite the next Speaker Ms. Manushree.

**Ms. Manushree**

Hi am I Audible??

**Mr. Yogesh Mendiratta, (Company Secretary)**

Yes, Yes. You are.

**Ms. Manushree Bagri**

I also have a similar issue because of which my video mike not be available as of now. Will that work?

**Mr. Madhur Daga (Chairman)**

Yes. Pls. continue.

**Ms. Manushree Bagri**

I extremely pleased by being a member of the 43<sup>rd</sup> AGM of Orient meeting and this is particularly an appreciation for the Orient Bell company because in the past 2 years I have seen its exponential growth on the social media platform and the electronic media and its quite impressive that you are propagandizing the growth in that level. All my good wishes and kudos to the team of the Orient Bell Ceramics. Thankyou.

**Mr. Madhur Daga (Chairman)**

I would like to now see if Mr. Shaikh Liyakhat is available and be re-invited to ask the question or comment, if any.

**Mr. Yogesh Mendiratta, (Company Secretary)**

Ya. May I request the moderator to re-connect.

**Mr. Shaikh Liyakhat**

*Sir Namaskar. Mein Sheik Liyakayt bol raha hoon. Sir, meri awaaz aa rahi hai?*

**Mr. Yogesh Mendiratta, (Company Secretary)**

*Haan Awaaz aa rahi rahi hai aapki Sheik ji.*



**Mr. Shaikh Liyakhat**

*Sir mera video kaam nahi kar raha hai. Ye dekha gaya hai ki karyasheel poonji mein sudhaar hone par, cost aur debt mein kami aayi hai. Is uplabdhi par mein Company ko badhai deta hoon. Aage chal kar umeed rakhta hoon Company bahut growth karegi.*

**Mr. Yogesh Mendiratta, (Company Secretary)**

Thankyou, Shaikh Liyakhat ji.

**Mr. Madhur Daga (Chairman)**

Yogesh, any more questions/ comments?

**Mr. Yogesh Mendiratta, (Company Secretary)**

Only repeated questions in the Chat box and any specific question will be answered separately.

**Mr. Madhur Daga (Chairman)**

We have received all the questions and all the comments and observations from all the Registered Speaker Shareholders and through the communication text box. Now let me respond to the questions, comments and observations.

Though most of the questions have been covered by me under my speech, I will answer to the questions one-by-one.

First of all, I thank Mr. Shaik Liyakhat and Ms. Manushree for their inspiring and kind comments. Thank You.

Mr. Mukesh has asked a question about the de-growth of the topline over the past 2 years and a question about its rollback. As I mentioned earlier in my speech, the demand environment has not really been very supportive over the last few cycles. Industry on the other hand continued to add more capacity in anticipation of demand revival from real estate and construction sector which is lead to a further increase in competitive intensity from the unorganized players.

As a matter of fact, tiles revenues for listed organized players on an overall basis have remained virtually flat over the last 4-5 years.

That aside, your Company has continued to invest on various fronts over the years including augmentation of manufacturing facilities, new product development, addition of more displays, enabling digital tools (eg : virtual showrooms to aid a product selection ), brand awareness activities etc. and thus should be able to capitalize on growth opportunities as and when they are available.

As regards the question relating to dividend disbursement for FY 2019-20 asked by Mr. Raj Kumar Sehgal, your Company has always considered shareholders' interest as priority and paid dividends consistently in the past. Unfortunately, during fiscal year 19-20, the nature of the pandemic is unprecedented in creating an uncertain business environment. The Government has imposed a complete lockdown earlier and even today economic activities are yet to normalize fully. Considering the overall situation and with an intent to conserve cash the Board has decided to take a very tough decision not to recommend any dividend for last year.

Now, I take last question about the outlook for the tiles Industry asked by Ms. Meenu. Despite the early signs of demand revival as part of unlock, it's a little premature I feel to comment on the outlook at least for the short term.

However, medium to long term demand drivers for tiles I am happy to say remain intact.

Favorable demographics, lower interest rates, multi-faceted application possibilities for tiles vis-à-vis other finishing products, thrust on affordable housing and infrastructure, lower per capita consumption in India vs. what we have in other emerging and developed geographies etc., and a renewed focus on sanitization all augur well for the industry.

With these words, I want to thank all the shareholders for joining in this Annual General Meeting through Video Conference and making this historic meeting a success. I also want to thank all our Directors who have joined this Meeting.

The e-voting process will remain 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 shall stand concluded.

The results would be announced on or before the 15<sup>th</sup> August, 2020 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.

I request all of you to be very careful during this period and take care of yourself and your families.

Thank You very much.