

**MR. SHAHIN:**

Good Afternoon everyone, I warmly welcome all of you to the 37<sup>th</sup> Annual General Meeting of Blue Chip Tex Industries Limited. I am Shahin Khemani, the Managing Director of the Company and it's my privilege to address all of you as the Chairman of this Meeting.

I hope all of you are keeping well.

This Meeting is being conducted through Video Conference as per Circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India.

This is the third time we are Meeting virtually. This gives us encouragement that even during the Pandemic we found new ways to rise, which is the core purpose of our Company.

As the requisite quorum is present through video conferencing, I call the meeting to order.

The e-Voting facility is open now and available for the Members attending this AGM who have not voted on the resolutions earlier through Remote e-Voting.

Now let me introduce to the Members of the Board present with us today:

1. Independent Director and Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, **Mr. Rohit Bajaj**
2. Independent Director and Member of Audit Committee and Nomination and Remuneration Committee, **Mr. Abhishek Kamdar**
3. Chief Financial Officer and Director and Member of Audit Committee and Stakeholders Relationship Committee, **Mr. Rahul Khemani**
4. Non-Executive, Non Independent Director and Member of Nomination and Remuneration Committee and Stakeholders Relationship Committee, **Mr. Siddharth Khemani**

All the members of the Board are present at the Meeting from Mumbai.

In addition we also have:

1. **Mr. Deepak Doshi**, Partner DKP & Associates, the Statutory Auditors.
2. **Mr. Naresh Jethwani** from NKJ & Associates, the Cost Auditor.
3. **Mr. Raghunath Gupta** from Raju Gupta & Associates, the Internal Auditor.

Mr. Bhumit Dharod, the Company Secretary of the Company is also participating in the Meeting through video conferencing.

Now I would like to highlight the performance of your Company during the financial year 21-22. Revenue from Operations during the financial year 21-22 was up by 55.59 % and stood at Rupees 243.08 crores compared to Rupees 156.22 crores in the previous financial year. The Profit after tax for the financial year 21-22 stood at Rupees 3.21 crores as compared to Rupees 1.81 crores in the previous financial year. For the full year the EPS was Rupees 16.33 per share up 77.30 % year on year.

The Statutory Registers and other documents as required to be kept at AGM which are mentioned in the AGM Notice are available for inspection on the website of the Company under 'General Meeting' tab.

The notice of the 37<sup>th</sup> AGM alongwith the copies of financial statements for the financial year ended 31<sup>st</sup> March, 2022 together with the Directors and Auditors Report have been emailed within the statutory period to all the shareholders whose email addresses were available with the Company.

With the permission of the members I now take the notice of the 37<sup>th</sup> AGM and the Board's Report which has circulated to all shareholders as read.

As the Statutory Auditors Report on the financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 and Secretarial Auditors Report for the financial year ended 31<sup>st</sup> March, 2022 do not contain any qualifications, observations, comments or other remark, the same are also taken as read.

The AGM is held through VC / OAVM and the resolutions being considered are:

**Number 1:** To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with the Reports of the Board of Directors and Auditors thereon;

**Number 2:** To declare dividend of Rs. 3.00 /- per equity share for the financial year ended 31<sup>st</sup> March, 2022;

**Number 3:** To appoint a Director in place of Mr. Rahul Khemani, who retires by rotation and, being eligible, offers himself for re-appointment;

**Number 4:** To re-appoint M/s. D K P & Associates, Chartered Accountants as Statutory Auditors of the Company;

**Number 5:** To ratify remuneration of Cost Auditors for the financial year 2022-23.

As mentioned in the notice the resolutions have been put to vote through Remote e-Voting and in view of this there will be no proposing or seconding of resolutions.

The objectives and implications of the resolution proposed at the AGM are already set out in the notice of the AGM and explanatory statement and for the sake of the brevity are not being repeated again.

I now request Mr. Bhumit, the Company Secretary to take us through the regulatory matters and general instructions pertaining to the Annual General Meeting and invite speaker shareholders to raise questions or express their views.

Over to you Bhumit.

**MR. BHUMIT:**

Thank you Sir. Good afternoon everyone, Shareholders may note that this Annual General Meeting is being held through video conferencing in accordance with the Companies Act, 2013 and circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. Facility for joining this Meeting is made available through video conferencing for the Members.

As per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has provided the facility of Remote e-Voting to shareholders to enable them to cast their vote electronically as per the timelines mentioned in the AGM notice. The Remote e-Voting facility was provided from 24<sup>th</sup> September, 2022 9 a.m. onwards which concluded at 5 p.m. yesterday.

Further in compliance with the rules on e-Voting framed under the Companies Act, 2013 and the circulars of MCA, the voting at the AGM will also be conducted by the same e-Voting system of CDSL which was used during Remote e-Voting. The shareholders who have not cast their vote through Remote e-Voting process and otherwise not barred from doing so shall be eligible to vote through e-Voting system during the AGM.

The results of the e-Voting along with the scrutinizers report shall be communicated to BSE where the equity shares of the Company are listed and will also be placed on the Company's website and on the website of CDSL within 48 hours from the conclusion of this Meeting.

Mr. Pramod Shah, partner at Pramod S. Shah & Associates, Practicing Company Secretary has been appointed as the scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.

All the Members who have joined this Meeting are by default placed on mute by the host to avoid any disturbance arising from the background noise and to ensure smooth and seamless conduct of the meeting. Once the name of the speaker shareholder is called out the person will be unmuted by the host to enable him to speak.

Before speaking the shareholder is requested to click on the video as well as audio icon appearing on the screen to switch it on and if for some reason the shareholder is not able to join through video mode, he can still speak using the audio mode.

While speaking, we request shareholders to use earphones so that they are clearly audible and it would also minimize their noise in the background. They are also requested to ensure that Wi-Fi is not connected to any other devices, no other background applications are running and proper light is available to have clarity in video and audio.

If there is connectivity problem at speakers end the host will mute such speakers and the next speaker will be invited to speak.

Please note that the questions raised by the shareholders through email were duly answered to them on email.

I now invite the speaker shareholders to raise the questions or express their views that may have on the items of the business of the Meeting. We will first listen to the questions raise by all the speaker shareholders and then will provide our response. I request the host of the Meeting to enable the speaker shareholders:

1. Speaker Number **one**: Mr. Yusuf Yunus Rangwala – Not Present
2. Speaker Number **two**: Ms. Lekha Shah – Not Present
3. Speaker Number **three**: Mr. Abhishek – Not Present
4. Speaker Number **four**: Mr. Keshav Garg – Sir, thank you very much for providing me this opportunity. So I have received a reply on the mail but if you could elaborate further on these questions, sir we'll be very grateful. So, basically, if we see our top line, Sir it has been flattish at around 250 crore since FY 19. Sir, but our, EBITDA has fallen from a peak of 12 crore in FY 20 to 7 crore now. Whereas, sir, our operating margins are at an all-time low 3% versus a peak of 6% in FY 18. Sir I do understand this increasing and decreasing and right now they seem to be under pressure. So, in your judgment, by when you think that our margins can improve and what kind of margin you think on a steady state average basis we can make since we are now at the lower end of the margins and 6% was a peak margin, so can we expect approximately 5% steady state operating margin on a sustainable basis. Sir also, if you could tell us that if you operate that, so first of all, how many shifts are we running at currently and sir, if we run 3 shifts and utilize all our capacity, then, sir what kind of revenue will we be able to generate at current realizations. Sir we already did 257 crore revenue in FY 19. Sir so was it the peak revenue and sir why revenues still are lower than what we did in. And Sir what is the expectation for the current year. Sir also, on the working capital side, our trade payables are constantly reducing even though our revenue has been increasing. Sir, if we see, our trade payables have reduced from 15 crore in FY 18 to 6 crore in FY 22, whereas the revenue have increased from 181 to 243 crore during this period. So, in other words, if we see, then basically, had our trade payables remain the same as they were in FY 18 we would have been a debt free company. Sir, is this 6 crore the lowest level and is this expected to move up at the same place, or is further expected to come down. Sir, what are your tactics plans in the near future sir? What is our stake in, Beekaylon

Synthetics? Sir why aren't we consolidating our share of profits in this company even if we are holding 10% or whatever. Even if you are holding less than 10%, we can still consolidate, I mean, let's say, if we own 10% then 10% of their profits, we can show in our consolidated numbers. Sir it will give a clear picture of the company to the shareholders so please consider that. Sir also, what can shareholders expect for the future like when will we see our top line reaching somewhere around 500 crore, what are the plans. Do we plan to do any kind of forward integration or backward integration. And Sir, lastly you had increased your dividend that to in COVID year so we are very grateful to you for that. Sir, but if you could just consider a Share Buy Back instead of dividends. So, it will be a very tax efficient, sir, because the tax rate on Dividend is now 35% whereas in Share Buy Back it is 23% and Shareholder don't need to pay any tax whatsoever. No capital gain nothing. So you can kindly consider a Share Buy Back especially when the stock is so undervalued if, we start doing somewhere around 5/6 % operating margin then our operating profit will be more than half of market capitalization. Sir the stock is quite cheap so kindly considered a Share Buy Back. Sir thank you very much.

**MR. BHUMIT:**

Thank you Mr Keshav. Please note that mostly all the questions are already answered to you on email. Rest of the queries we have noted down and our Management will suitable reply to you after the AGM.

With this all the items of business as per the Notice of the 37<sup>th</sup> Annual General Meeting have been taken up.

I now declare the proceedings of the Annual General Meeting as completed. The e-Voting process will be continue for the next 15 minutes and will be disabled thereafter.

So at the end dear shareholders, I conclude this meeting with my sincere thanks for all your support and co-operation. I would also like to thank our esteemed Board members, our Chairman for his participation and to colleagues for their efforts in making this event a successful one.

Thank you once again and wish all of you a very healthy and safe future.

Thank you.