



Transcript - IVP Limited - 92nd AGM - 28th July, 2021 at 11.00 A.M.

Due to some technical difficulty, the Meeting got delayed by 15 minutes.

Good Morning, Members.

A very warm good morning to each and every one of you. I am T. K. Gowrishankar, Chairman of the Company, I am attending this Meeting through Video Conferencing from my residence in Chennai. I have pleasure in welcoming you all to this 92nd Annual General Meeting of the Company. I would also like to extend a warm welcome to all the Directors and the Auditors present at the Meeting.

I wish to inform all participants that the proceedings of the Meeting are being recorded.

In this difficult time of the pandemic, I hope you and your family members are safe and healthy.

It is my privilege to address this July gathering at the 92nd AGM as the Chairman of your Company.

I would have loved to meet and address you all in person, but due to the prevailing COVID conditions, the Meeting has been organized through Video Conferencing in compliance with the circulars issued by the Ministry of Corporate Affairs and SEBI. The facility of joining the AGM through Video Conferencing will be available for members on a first come first serve basis.

All the members are by default kept on the mute mode by the host to avoid disturbance in the Meeting. The host will unmute the respective speaker at the time of the question answer session. I look forward to your active participation and co-operation in conducting the business of today's Meeting.

I would like to inform all the stakeholders present that all the efforts feasible under these circumstances have been taken by the Company to enable the members to participate and vote on the items being considered in the Meeting.

In case any shareholder faces any issues in attending the AGM or e- Voting during the AGM they can reach out to the helpline details mentioned in the notes to the notice of the Meeting.

Since the required quorum is present at the appointed time, I now commence the proceedings of the Meeting.

I would like to inform all Members that Mr. Priya Ranjan, Director of the Company is not present in this Meeting due to his preoccupations.



I now request all the Directors attending the Meeting through Video Conferencing to introduce themselves:

Mr. Amin Manekia:

Good Morning, I am Amin Manekia, I am an Independent Director and Chairman of the Audit Committee, Nomination & Remuneration Committee, and Corporate Social Responsibility Committee. I am attending this Meeting through Video Conferencing from my residence in Mumbai.

Mr. Sajid Fazalbhoj:

Good Morning, I am Sajid Fazalbhoj, I am an Independent Director of the Company. I am attending this Meeting through Video Conferencing from my residence in Mumbai.

Mrs. Mala Tadarwal:

Good Morning, I am Mala Tadarwal, I am an Additional (Independent) Director and Chairperson of the Stakeholders Relationship Committee. I am attending this Meeting through Video Conferencing from my residence in Mumbai.

Mr. Mandar Joshi:

Good Morning, I am Mandar Joshi, I am the Whole Time Director & CEO of the Company. I am attending this Meeting through Video Conferencing from our Mumbai office.

Mr. Rakesh Joshi

Good Morning, I am Rakesh Joshi, I am the Chief Financial Officer of the Company and I am attending this Meeting through Video Conferencing from office in Mumbai.

Mrs. Nisha Kantirao

Good Morning, I am Nisha Kantirao, I am the Company Secretary and Compliance Officer of the Company and I am attending this Meeting through Video Conferencing from our office in Mumbai. Thank You.

Thank you all.

We also have with us the Statutory Auditor M/s. Rajendra & Co. represented by Mr. Apurva Shah – Partner as well as Secretarial Auditor and Scrutinizer Mr. Aqueel Mulla attending the AGM from different locations.

The statutory registers and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.



The Company has received 17 Resolutions from companies appointing representatives under Section 113 of the Companies Act, 2013 representing 58.86% of the paid-up capital of the Company. As the AGM is being held through Video Conferencing, the facility for the appointment of proxies by the members was not applicable.

As there are no qualifications in the Auditors Report and Secretarial Audit report, with your permission I consider them as read.

Pursuant to the provision of Section 108 of the Companies Act, 2013, the Company has offered an e-voting facility through the CDSL system. The remote e-voting is over. Members who have not voted during the remote e-voting can cast their vote electronically during the AGM. The e-voting platform is open now for voting and will close after 15 minutes from the time of closure of this Meeting.

The Board has appointed Mr. A. A. Mulla, Practicing Company Secretary as the Scrutinizer for the purpose of remote e-voting and e-voting during the Meeting.

SOCIAL INITIATIVES TAKEN BY THE COMPANY:

Your Company continued its support towards empowering education in the communities around the Company. During the year, the Company has constructed an Auditorium along with 2 changing rooms and provided furniture in Seva Ashram School, Boisar, Palghar.

DIVIDEND

Considering the performance of the Company, your Directors have recommended a Dividend payment of 10%.

I assure you, that your Company will constantly strive to enhance Shareholder value and returns to the shareholders.

The Company has successfully established many new products in the new business division of Polyurethane Adhesives for flexible laminated films. With this diversification into an 'Essential' sector, your Company is now looking to further accelerated growth while reducing dependency on the existing Foundry and Footwear divisions.

The longer term strategy of diversification into the PU sector i.e., Polyurethane sector has helped the Company significantly. Our local supply capability in PU offers an edge over imports and we hope to further grow market presence in this sector in the foreseeable future. This diversification has also given the Company an edge in the Foundry sector through increased cost competitiveness due to sharing of overheads between the two main activities. Also, your Company aggressively intends to focus on new growth opportunities in the Foundry sector as well.



Prediction of a normal monsoon leading to high food-grain production and increase in rural income is expected to improve demand for tractors and rural consumables such as footwear, irrigation pumps and pipes, and related items. Focus on personal mobility is likely to support strong automotive growth in the coming years. Outlook for Construction, Energy and Infrastructure sectors is also positive, with your Company, and also its customers, tapping export opportunities in the neighbouring countries. All these factors offer considerable hope for the future. However, the second wave of the Covid-19 pandemic poses an immediate challenge and threat to the country and the Company, with both the duration of lockdown and subsequent speed of recovery affecting the business performance of the Company. Further, the threat of third wave and lockdown restrictions continue to be the big risk factors for IVP's business.

Backend IT Tools and Hardware and cloud based ERP system and IT infrastructure was also improved significantly to enhance higher level of digitization and “work from anywhere” capabilities of all field and office employees.

All these steps will secure long term sustainability of the Company and its business.

The key financial highlights of the Company in the year 2020-21 and in the current year up to the date of this Meeting are:

- Gross Revenue from Operation increased to ₹289.68 crores in the current year from ₹ 228.76 crores in the previous year, an increase of atleast 25%.
- EBIDTA grew substantially to ₹18.71 crores as compared to ₹2.20 crores in the previous year 2019-20.
- Profit before tax was also high at ₹6.68 crores compared to a loss before tax of ₹12.83 crores in year 2019-20. Profit after tax was ₹4.50 crores in the current year as compared to loss after tax of ₹8.62 crores in the previous year.

Post lifting of restrictions in May 20, the Company took all safety and preventive maintenance precautions to restart the plants and restore sales and dispatches. Consequently, the Company managed to run the operations smoothly from mid- May 2020 till the end of the financial year 31st March 2021.

In spite of the challenging first quarter affected by the pandemic and lockdowns, the Company has successfully managed to restore breakeven quickly by the first half of the year and then recover, to deliver profitable growth in the second half of the year under review and also ensured recertification by Intertek for all three main ISO standards namely ISO 9001, ISO 14001 and ISO 45001.

I Now request the Company Secretary to brief the members about the process of speaking during the AGM.



Thank you, Sir.

We have received questions and queries from shareholders on mail which have been consolidated and the same will be answered once all the shareholders who have registered themselves as speakers have spoken.

I like to highlight that the moderator will unmute the speaker shareholders who have registered to speak when their names are called. In case there is a connectivity issue with the speaker, the name of the next speaker will be called out to speak and the latter can rejoin to speak when he/she is available.

Keeping in mind the time constraint all shareholder speakers are requested to conclude their remark within 3 minutes.

Since this Meeting is held through Video Conferencing, and the facility and resolutions are put to vote only through e-voting, the practice of proposing and seconding resolutions is not being followed.

I NOW INVITE MEMBERS FOR THE DISCUSSIONS.

The first speaker for the day is Surekha Shah.

Ma'am, Ms. Surekha has not joined the meeting.

Okay, we can move to the next speaker, Mr. Shlok Dave.

Thank you for the opportunity. Good morning Mr. chairman and board of directors. It's great to see all of you in good health and great spirits.

Yeah, I hope everyone is doing fine at the company and none of the employees are facing any corona related or any financial trouble. Thank you for the opportunity. I'm pretty new to the company.

In just 1 sentence about myself. I run a family office. I have investments in US, Canada, continental Europe, Singapore and India, and there's the 1st time. I mean, I went through the Annual Report of the Company, and I could see that it's a very old company, and I was fascinated with the path you guys have taken, especially the recent expansions and diversification.

So my questions are related to the base business centre diversification.



So, the 1st question is on the foundry business in fact in all the, all the 3 divisions saying foundry, footwear and PU. How do you see demand supply scenario evolving? As of now how things are, especially post the 2nd wave and how do you see the next very near term? Are there any disruptions or any challenges in terms of either demand supply of the finished product, or the raw materials? Second, Sir in the annual report, you guys have mentioned that 50,000 tonnes capacity, but it's a slightly big. A 50,000 tonnes is the capacity for the Foundry division, or you are, like, bunching up certain divisions there I'm not sure.

So what is the, what is the actual capacity across the divisions and what is the capacity utilization as of 4th quarter? And how do you see the capacity utilization ramping up going forward at peak capacity utilization? What kind of revenues can you do in the 3 divisions and what kind of margins can you have in the divisions? I think that I noticed, and again, my information is not 100% sure here because I'm working with certain facts, which are missing a prima facie exclusive margins, have declined since 2017, quite simply. So, what is the reason for that is it that new division separate ramped up and there are some startup costs associated with those? Is that the reason or is there a fundamental change in the foundry division and the economics of that division? And next questions are the working capital, coming to you in the working capital again, spread across the 3 divisions. That will give a better understanding. Now, you've expanded on the PU side. What are your CAPEX going ahead the other divisions and do you see a need for expanding the PU segment? And also strategically, if the CEO can take us through the logic of going on the PU side, are there any synergies? I mean, to me, they seem like very different businesses, but if you can just take us through, whatever is the thought process, why have you entered a PU and what gives you an edge in this business. Next you have mentioned that there are some growth programmes in the foundry division? So, so, how can you just again take us through that? Because the metal cycle is definitely on an upswing. So, how long do you see the Foundry division performing well?

Who are your competitors across all the, all the divisions, and finally on the balance sheet numbers? So how do you see ROE and debt levels, progressing going forward. Are there any again repetitive question? Are there any other major CAPEX that you have in your pipeline? Other than that it looks like a very interesting company. But again, as I said, sir, my questions are very naive. I'm very new to the company, so although it's great interacting with you guys I hope the AGM is conducted digitally next year also as it's much easier to talk to people, especially during the monsoons. It's very difficult to travel. So thank you very much. You have my best wishes. Thank you. Mr. chairman for the opportunity. Good luck sir.

Thank you. Mr. Dave, I have been requesting because Mandar Joshi to answer all your questions. I must say, you have a detailed, interesting list of questions which is well for management. Thank you.

Next speaker is Mr. Yusuf Rangwala. Mr. Yusuf?

Hello? Good morning. Good morning. Good morning. Hello?



Can you hear? yes, yes. Yes. I'm very happy to hear from you. You are from south, that's why I'm telling you, wannakam sir.

Wannakam.

I am very happy. Eid Mubarak. Sir dividend which you are giving 10 Rs. that is very good. Thank you Company Secretary for giving me a link. You are the excellent chairman and you are a hardworking. I will pray to God for all your future plans. I want to know LIC holdings in the Company. I am happy to meet you. Any plan for Bonus?

Khuda hafiz sir.

Khuda hafiz.

Thank you. Mr. Rangwala.

Next speaker is Mr. Bimal Aggarwal

Ma'am Mr. Bimal Aggarwal is not into the meeting.

Okay next speaker is Mr. Rishikesh Chopra

Ma'am Mr. Rishikesh has also not joined the meeting.

Mr. Dinesh Bhatia

Ma'am Mr. Dinesh Bhatia has also not joined the meeting.

Mr. Hardik Jain

Yeah, good morning. Good morning to everyone. Thanks for giving me the opportunity. Uh, I actually I had sent my questions to the company secretary in advance.

I just want to confirm if they have the list of questions, or I can repeat them. So okay.

We have your list sir.

So, if you have the list of questions, then I would request the concerned person to answer every question. So you can 1 mentioned the question and then could be answered.

So, so that everyone can, the other speakers will also get the benefit of it.



Sure at the end of meeting.

Thank you thank you.

Next speaker is Mr. Aayush Aggarwal

Hello.

Yes, good morning. Good morning board members and fellow shareholders.

It is a pleasure to attend this AGM through online, because it's very difficult to travel you know, when there are a lot of AGM's happening across the country. Uh, I'm very new to the company as well like other fellow shareholders.

I have sent in my list of questions, just like to reiterate them, uh, for clarity purposes.

So, most of the questions have been answered, asked by Mr. Dave. But I'll just repeat mine whatever else is left.

So company has developed much in the PU division for the flexible laminated films. So, if you can help us understand what really are these chemicals and who are the competitors in this segment? you mentioned that it is import substitute, So, who would be the major contributor? Which country is it, China or is it some other country which contribute mainly to imports that our country does. Uh, what is the current capacity utilization in Foundry segment and in the PU segment? What is the peak revenue that can be done from each of these segments and what are capex plans for the next 3 years for each of these segments? The company does not really have any export revenues what we see in other chemical companies is that COVID has helped Indian companies to tap into the export markets, due to China plus 1 and other supply chain disruptions.

So, what are IVP's plans for export markets? What are we doing? So, I see that Mr. Joshi is a qualified person. He had been with BASF for more than 18-19 years and he lead the BASF Polyurethane segment in India and he has very beautifully scaled up our PU division, which has really helped our company to grow. So, what, our company's plans to develop more products in this segment? Is there something else in pipeline? Please educate us about that?

Uh, what is IVP's customer concentration like, uh, you know, what, what percentage of the revenue will come from top 10 customers uh, 1 thing that I noticed that 80 through our products are inputs substitutes and I think, uh, we, we, we, as we have a good market share in whatever we produce, we see that, uh, the margins are a low single digit and the reason for that raw material volatility.



So 1st, question is that what are we doing to deal with this raw material volatility? And we see that a lot of this RM is imported, so something on that front will be really helpful for us to understand, uh, you know, on market sustainability and improvement.

And the, the next question is, if the company thinking about backward integration or long term contracts with customers, uh, with suppliers. So that, you know, we have some margin sustainability. If you can help us understand, what were the revenues from the footwear segment this year? And last year, so that we can have a good comparison.

Uh, and what was the number for our PU segment if it has already started for the flexible laminates, film segment. Please also help us understand the company's market share in key products in the Foundry segment. And in the footwear segment, also, if you can list a few competitors name, then that would be really helpful for us to understand.

Uh, just last couple of suggestions on, uh, on our financials.

We see that Company has very high debtor days. Uh, so what are the company's thoughts on bringing our working capital cycle down. Because a company of our size has 122 crores of short term borrowings, which is, which is quite high and the database stands 170 days. So, what are the company's plans to bring that down and have a more efficient working capital management? And 2nd, is that we see that there's a huge contingent liability standing. So, some, some light on that and, you know, what's the update? Where does the case stand? And what are the management's views on that would be really helpful from our investors investors perspective that's it from my side, I guess, and a best of luck for the future. Uh, I'm really interested in the company because of the prospects, Thank you.

Thank you Mr. Aggarwal.

Next speaker is Mr. Kinnar Mehta.

Hello, can you, can you can you hear me good morning?

Yes, good morning. We can hear you.

So, congratulations to team IVP, for getting the company back in profit. Uh, some of the questions have been repeated. Uh, we have 3 chemicals, but would request the team to suggest the sales capacity utilization numbers in annual report of all divisions if possible, but it's mostly split in 50,000 T. Last 10 years' performance to be frank enough with you guys, the profits has been in minus 3% for last 10 years. So can we look at future ahead. I'm sure with new division it can be much better.



Our cost of goods sold have been 80% of the fairs, very frankly, even many chemical traders, make better money. Is it this too low? And there can be way, you know to better it. My next question is what are the fair for products, which will deliver growth to a company. Our debtor has been very high it's been already reported so, are we giving credits to direct users or are we giving credit to intermediaries? Our working capital is almost 139 crores, debtors 70 crores, stocks so it's too high. Uh, almost 200 crores plus has been blocking working capital. Can you put more light on contingent liability of Bombay Port Trust matter? And the last question is how do higher oil price, impact our product portfolio. This time price of our material seems to be diverging from other Petrol based products. Can you elaborate? Thank you.

Thank you with Mr. Mehta.

Last Speaker is Mr. Himanshu Upadhyay

Yeah, hi am I audible? Yes Sir.

Yeah,

so I have sent a list of questions basically what I want to understand, uh, through them is what is the mode or competitive advantage we are having in our businesses okay so in foundry chemicals we have a MNC player who is a market leader and their margins are very very high in comparison to us. Why have our margins land that players in the business? What is the unique selling proposition for us in Foundry chemicals what are we bringing special on the table? Okay, for a foundry chemical company, for a Foundry owner to use our products. Okay and what should help us gain market share in this business over a period of time.

Lastly, we have said that we have added production Foundry chemicals and look for new growth opportunity. What is the size of market we can cater do with the products? So what we are having.

So these are 3-4 questions on Foundry chemicals. On PU side is this the right understanding that we make chemicals, which help our shoe sole manufacturing for manufacturing of sole, our chemicals are used and this business will grow with growth in manufacturing of shoe soles in India, and by gaining our market share from the competition. So, is this the way the growth will happen in this business. What is the size of shoe sole market in India? also, what percentage of shoe soles are getting imported in the country and further on to this, can you tell us about the size of Polyurethane chemical demand both in value and volume terms in India? And what percentage of this demand is met through imports? These are the major things and the chemicals what we are making in shoe manufacturing or for shoe sole manufacturing. Are they, is it a chemical business or a specialized product business?

Some clarity if you can provide on your nature of business, it would be very, very helpful. The rest of the questions have been asked so I am not repeating them. Thank you.



Thank you. Speaker list is over and now I would hand over the proceedings to the Chairman sir to answer in jointly with Mr. Mandar Joshi, Whole Time Director and CEO of the Company

Thank you Nisha. I would now request Mr. Mandar Joshi, CEO of the Company to explain in detail all the queries that have been raised and I must say most of the queries are very relevant and the shareholders need to know about the company's future plans and what we are facing currently and what we would like to do in the future.

Thank you Mandar. Please take over.

Yeah. So, good morning to all of you, and I will start with the basic theme of the 1st question was like, what was the strategy? Why we are doing what we are doing and how do we see the 3 segments? So, if you recall, about 5 years back this company was making only phenolic resins for mainly for predominantly for foundry applications we have a manufacturing site at Tarapur which is our mother plant and a small coating plant at Bangalore and we need to keep on updating our product mix and get license capacity so, when we talk about, we have about 50,000 tons of manual capacity, and we are accordingly, manned, and we have a working pattern where we work 6 days a week. So these are reactors where we have where we can do similar chemistries but these are multipurpose reactors.

So we looked at the market potential, if I talk about Foundry India is the 2nd largest casting producer after China market. So Indian market itself is very big, that's why there are not many export opportunities per say that is not to do, having said that all the manufacturing for foundry chemicals for all the foundries, who are customers happens in India and there are 6 to 7 manufacturers like Foseco being one of the multinationals and Huttenes Albertus and other ASK and there are local players like IVP. So we operate only in chemical segment that is we only make binders and coating for foundries and that is where we have to compare our performance vis-a-vis competition and kind of challenges that we face. So it is not possible to compare Foseco which makes lot of foundry services products, for example, filter aids and inoculants devices which are not part of portfolio of IVP. So, 1 is 1 comparison per se is not possible, but we look at a chemical aspect of foundry inputs that we cater to the industry.

Now, this market is predominantly dependent on the automotive industry growth which accounts for about 40% followed by tractor and agricultural pipes and irrigation systems and all that. And then there are multiple small, small segments, like machine tools, wind energy and all that.

So our focus has been to consolidate our position and maintain the market share so we think, we are about it's more than 100 thousand tonnes per annum opportunity where the whole double digit market share, considering that are 4 - 5 players and then this Industry also is B2 B segment. So, we have to deal the authentic terms, the product and this is the industry now. So, in order to know that this industry will grow in line with GDP, we have to do something more utilizing our



manufacturing base. We decided to embark on a diversification journey in Polyurethanes, the reason being we were already handling some of the raw materials because in Foundry also we have some Polyurethane products. So, looking at the raw material synergies, we aspired and identified the opportunities such as footwear for polyurethane system for shoe soles. The reason being Opportunity is India like foundry. India is a 2nd base 2nd, largest producer of footwear where we produce more than I would say, 3 Billion pairs annually after China, which is maybe 12 Billion pairs, but Indian market is domestic focus, so, the majority of our new production, goes for the domestic consumption, and very few export mainly of Chappals, to Middle East countries or safety shoes to Europe.

So, this market was scattered predominantly by imported materials coming from Asian region, China, Europe and that is why we thought that, if we as a 1st more advantage, if we get if we establish the local capacity, we will have an opportunity. And somewhere in 2007, with the phase I investment, we embark on this journey and then expanded our capacity in 2019 just before the pandemic year. And for last full year, we had utilized our plant quite well.

So when we say our combined capacity is 50,000 tonnes it depends on product mix, but we can say we still have about 30,000 tonnes for foundry and 20,000 plus tonnes for PU can be 60, 40 kind of split and we are utilizing on an average about 60%. It has been our utilization in the last year, now, footwear again is replacing replacement demand. I mean, every year people buy chapels or shoes and then they need to keep on buying so it is a recurring demand. It's a growing market, routine and daily need of population. So, again Indian market being big, our focus was to move from single digit market to double digit market, which we did last year. And we have established our position as leading local supplier of polyurethane industry. Then comes the 3rd thing like if we have now, let's say if we have two stones to stand on two legs, what happens in future if there is a downturn in 1 of the cycle. So we looked at another opportunity. looking at probable synergies is for food sector, which is essential segment where for packaging adhesives for food. We have decided to offer the adhesives solution, which is again based on the polyurethane raw materials, so there we have embarked our journey last year, it will take some time for footwear like 2 to 3 years to establish our brand name, products and get to double digit market share.

Lamination adhesive market is also very interesting like foundry it is scattered by multinationals like Henkel, Dow, Bostik or DIC, and there are local Indian players, like brilliant polymers, and now IVP trying to get in to it. So foundry and adhesives it is more of a domestic play when there are domestic capacities in place. Footwear is a more than 10,000 tonnes per month market, which is predominantly import where we have made the 1st local supplier move and we're trying to fill our capacities. So these 3 segments, looking at Indian population, increase in GDP and disposable income, we believe is the right thing to do, which will allow us to grow the opportunities. Coming specifically to last year, the 1st quarter was the kind of washout and in the 2nd half, we found a kind of V shape recovery because when we say why we have edge over imports because this uncertainty with, pandemic and lockdowns. There was tendency to buy materials locally, short, at times and nobody was forecasting and bringing in imports and the shipping caused delays and the



kind of costs pressures that importers face. So the journey of utilizing capacity was quite fast last year in the 2nd half and now we have established a base, which we think we will be able to maintain. So that's where the 2nd half performance talks about that we could utilize almost a new plant of PU quite well and we hope this new base that's why we will see going forward a better or improvement versus what was happening in a bad year of say 19 – 20 when the industry was down, automotive was down, and PU plant was not available so we are now kind of a very strong footing, and we believe that these 3 segments which are growing segments and where there are still growth opportunities IVP has a good opportunity.

So, I talked about capacity, capacity utilization. I also explained a competitive scenario in case of where we also compete with multinationals like BASF, Dow, OEM and the Chinese importers like Huaafon. So, we are kind of Indian company in all the 3 segments. There are one or two Indian players are competing with different, different multinationals and yes we're trying to do import substitution and trying to serve the local customers with localized solutions, based on in house research and development. So that answers more or less on the strategy part. And the diversification and kind of focus we have in 3 different divisions coming to raw material volatility.

Last year, we have seen oil moving from negative to 30 to now 75 dollars in line with that. All the basic building raw materials also increase, while we do last 1 or 2 step manufacturing in India, we are still dependent on some of the key raw materials which have to be imported and those molecules have to go predominantly from China, Japan, Korea, or from Europe and we face the challenges on exchange rate, we faced challenges due to pressures from oil on the feed stocks and the demand-supply.

The shipping delays last year alone was a major issue, and the kind of cost escalation that have happened Ocean freight, so raw material volatility is going to stay it is bound to squeeze the margins because it takes time to translate the raw material situation and given the pandemic where there was low demand versus suddenly shortage, we will see you know the timeline, which means passing on the prices will vary in each quarter, but we are trying our level best to restore the margins.

Historically, chemical businesses, kind of business that we operate from 2015 to 2019. if you see we on an average do about 250 dollars, or 17-18 rupees has been our kind of average planning margin and this is the kind of competitive. Our products are not very high specialties. They're kind of high value commodities I would say, and we have seen the finished good prices also jumping from as low as 100 rupees to 200 rupees. So, there is a reason to you know for increase in revenue is not only driven by volume, but it also factor of price.

So these challenges from raw material volatility will definitely be there and we will try to restore margins to our average margin which are realizable in a competitive environment where our 4 to 5 players are actively serving the customer base. Apart from that, in terms of capex coming to capex, we already completed significant capex programme between 15 to 19, 2015 to 19, almost



close to 80 crores. Right now. We have no major capex plans as we know that we still have room to improve the capacity utilizations but as and when for new products, small capex or for EHS requirements if we need to undertake some CAPEX, we will do so.

Uh.. anything else?

I think the numbers are already there. Coming to the contingent liability issue there are two major topics 1 is with BPT that are legal cases progressing and we are recognizing it, it's not something new which is going on and with regards to another item, which is also the dispute I mean understanding dispute with the MIDC in Aurangabad we have recognized additional contingent liability to the tune of 11 crores because of some past documentation issues mainly. This, we will keep on updating as and when there's the progress.

Mutual funds and LIC are not holding any shares in IVP.

Yeah, yeah, one, topic one, debtor is basically the long working capital in the pandemic and complete lock down in last year in April there was complete break on cycle. There was no movement and that actually led to significant extension of payment cycle but if look at by the end of H2 last year we had optimised the debtors position significantly or over dues were well, within single digit percentage well, controlled, and we hope to install the same situation now year on year.

The pandemic and the lockdowns and the uncertainty is posing a challenge for managing working capital efficiently. We're also looking at managing our inventories with 45 days these time, but now due to shipping delays we need to plan for 60 days. So that is also an additional challenge on working capital, but businesses, B2B, we have to extend credit to most of our customers who are users and that is the way the wrong is, even the import materials are coming on 90 days, or even 120 days credit terms. So the working capital will be a challenge, which we have to manage.

Yeah, coming to opportunity, now in foundries, we are mainly focusing on non-ferrous foundry applications mainly iron and steel, we will continue to focus on these products but when we say why we have some new opportunities yes there are 1 or 2 new solid products, which we are gearing up to participate, where we are right now, don't have infrastructure to do so. That is 1 thing and 2nd thing is because of our now ability to be more competitive through overhead sharing, we will now try to look at certain geographic markets, which were not touched. For example, we being invest in India we were focusing on West and South. There are many opportunities to improve the market shares in the north Indian market and that is where we will be looking at. So there will be growth opportunities in foundry segment also and this addition of 1 or 2 new products where we are not participating in those accessible markets. We will try to improve our position.

So, I think more or less capex, raw material volatility, capacity utilization and the 3 segments, I have explained thoroughly and good overview in detail.



We can always exchange the invite so I think I would stop here. In case I've missed out on something I can add to that, but I think it's done.

Thank you Mr. Mandar. I hope Mr. Mandar satisfactorily explained to you the prospects for the company. Uh, as a board, I think we are really looking forward to the coming months, in terms of the growth opportunities there to product groups of the company, a percent to the company and I'm sure I'm sure the local management, the company management operating management is extremely competent, take advantage of the opportunities of the markets we provide them and hopefully grow the top line and bottom line of the company to very reasonable levels in the future. Certainly over the next 3 years, I can see that coming and, uh, in the process, we hope to diversify product range as well to cater to and better products. Thank you.

There are no more questions, I'd like to continue with the other proceedings of the meeting, Nisha?

Yes Sir. Please continue.

The other statutory requirements explained in nut shell.

The Notice is already circulated to all the Members and I take the Notice convening the Meeting as read.

The Resolutions mentioned in the Notice are deemed to be passed in this Meeting subject to the receipt of the appropriate number of votes.

Before I conclude, I would like to thank the Shareholders for their presence and their cooperation and their sustained support over the years, which has enabled our Company management to give of their best and also enable me personally to conduct the Meeting smoothly.

I would like to highlight; how many members were present Nisha?

39 members.

I would like to highlight that 39 Members are attending the Meeting through Video Conferencing.

The Board of Directors joins me in placing on record our appreciation to the Shareholders for their continued support and confidence. I would also like to thank the Allana group, the promoter of the Company for giving their continued support and guidance to the Company over the years.

The Directors appreciate the commitment and dedication displayed by all the employees at all levels and certainly at the senior management level.



I would also like to thank all our customers for having faith in the Company and for giving us their full co-operation and support. In particular, we would also like to thank our vendors, bankers and all other associates for their continued support.

I am thankful to my colleagues on the Board for their support and guidance and the members of the Management Team for their sincere, dedicated and untiring efforts.

Now I authorize Mrs. Nisha Kantirao Company Secretary of the Company to conduct the voting which will continue for 15 minutes from the time of closure of this Meeting.

The e-Voting results will be declared within prescribed timelines and the same will be published on the Stock Exchanges, Website of the Company and the Website of CDSL.

I now treat the Meeting as closed.

Thank you all.

The Meeting concluded at 12:25 P.M. after being open for 15 minutes from the time of closure of the Meeting.