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Transcript of the 13th Annual General Meeting of Bhilwara Technical Textiles Limited held at 14:00 IST on Tuesday 22nd September, 2020 through Video Conferencing / Other Audio Visual Means

Arjun Sharma: Good Afternoon members, I Arjun Sharma, Company Secretary, Compliance Officer, and Chief Financial Officer of the Company, participating from Noida, welcome you all in the 13th Annual General Meeting of the Company. I would like to inform you that the proceedings of this AGM are being recorded. During the meeting, the participants apart from panelists would be on mute.

As the members are aware that in accordance with the MCA and SEBI circulars, this meeting is being held through video conferencing or other audio-visual means, without the physical presence of the members. The deemed venue for the AGM shall be the registered office of the Company at LNJ Nagar, Mordī, Banswara, Rajasthan-327001.

Shri Shekhar Agarwal, Chairman, Managing Director, and CEO; Shri Priya Shankar Dasgupta, Independent Director, Shri Shantanu Agarwal, Director, and Smt. Sunita Mathur, Independent Director are present in this meeting.

Shri Shekhar Agarwal, Chairman, Managing Director, and CEO will chair the meeting.

Since this AGM is being held without physical presence of the members, the facility of appointment of proxies by members under section 105 of the Companies Act 2013 is not available in this meeting. The facility of joining the AGM was opened 15 minutes before the scheduled time of AGM and shall remain available for 15 minutes after the scheduled time. In compliance with the provisions of Section 108 of the Companies Act 2013, read with relevant rules and also, Listing Regulations 2015, the Company had provided facility for voting by electronic means to all its members to enable them to cast their votes electronically and the business would be transacted through e-voting. The Company has engaged the services of NSDL for facilitating participation by members at the AGM through VC or OAVCM and remote e-voting.

Remote e-voting facility was available to the members from 19th September 2020, 09:00 am to 21st September 2020, 05:00 pm. Members attending the AGM today and who have not cast their vote by remote e-voting are entitled to exercise their right to vote by e-voting

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Fax: +91-120-4277841
Website: www.bttil.co.in

Regd. Office:
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during the AGM. The Company has appointed Mrs. Manisha Gupta, Practicing Company Secretary as the Scrutinizer to scrutinize the remote e-voting, including e-voting during the AGM process in a fair and transparent manner. The results will be declared within 48 hours, i.e., 24th September 2020, after considering the e-voting done today by members participating in this AGM and also the remote e-voting already done by members. The results along with scrutinizer's report shall also be submitted to the stock exchange, i.e. BSE and will also be placed on the website of the Company. The notice of the Annual General Meeting and the Annual Report were mailed electronically to the shareholders at their email address registered with the Company or depository participants by August 27th, 2020. The members were provided an opportunity to inspect relevant documents accompanying the notice of 13th AGM, the statutory registers, maintained as per the Companies Act 2013 are kept open electronically for inspection by the members during the AGM. At this moment, 67 participants have joined. Hence, the requisite quorum is present.

Now I request the Chairman to please welcome and address the members present at the meeting and also to declare meeting open.

Shekhar Agarwal: Thank you Arjun. Good Afternoon friends. I am Shekhar Aggarwal, Chairman & Managing Director and CEO of the Company, joining this meeting from Noida. I welcome the members to the 13th Annual General Meeting of the Company. I would like to mention that in view of the massive outbreak of Covid-19 pandemic, social distancing is a norm to be followed and therefore, this AGM today is being convened through video conferencing or other audio/visual means. The Company has taken all feasible steps to ensure that the shareholders are provided an opportunity to participate in this AGM. the requisite quorum is present and therefore, I call the meeting to order. I also welcome my other colleagues on the Board of your Company to the 13th Annual General Meeting. Let me ask the Board Members to kindly introduce themselves. Shri Dasgupta Ji:

P. S. Dasputa: I am P. S. Dasgupta. I am an Independent Director on the Board, and I am attending this meeting from Dubai.

Shekhar Agarwal: Thank you Mr. Dasgupta. Sunita Ji:

Sunita Mathur: Good Afternoon everybody. I am Sunita Mathur, an Independent Director of the Company. I am Chairman of Audit Committee and Member of NRC and Stakeholders Committee. I am attending this AGM from Noida.

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Shekhar Agarwal: Thank you Sunita Ji. Shantanu Ji:

Shantanu Agarwal: Good Afternoon everyone. I am Shantanu Aggarwal, a Director of the Company. I am joining this AGM from Noida. Thank you.

Shekhar Agarwal: Thank you Shantanu. All the Directors are present in the meeting except Shri Riju Jhunjhunwala who has conveyed his inability to attend the meeting due to health reasons and he has sent his good wishes and greetings to all the Directors, KMP's and members present in this meeting. We also have with us, the representative from our Statutory Auditor Shri Mukesh Goyal, Doogar and Associates.

Mukesh Goyal: Good Afternoon everybody. I am audit partner with Doogar and Associates, Chartered Accountant, New Delhi. I am the signing partner and I am attending the meeting from my office in New Delhi.

Shekhar Agarwal: Thank you Mukesh Ji. We also have with us the representative from our secretarial auditor, Smt. Manisha Gupta. Manisha Gupta and Associates, Company Secretary, New Delhi. Manisha Ji:

Manisha Gupta: Good Afternoon everyone. I am Manisha Gupta, practicing Company Secretary I am the Secretarial Auditor of the Company. I am attending this meeting from my office in New Delhi.

Shekhar Agarwal: Thank you Manisha Ji. We have with us Shri Atul Kumar Jain, Vice President, Corporate Finance. Shri Surender Kumar Gupta, AVP, Legal Group, and Shri Arjun Sharma, Company Secretary, Compliance Officer, and CFO of the Company, who has already spoken. The Annual Report of the Company for the financial year ended 31st March 2020 containing the standalone and consolidated financial statements have already been circulated to the members of the Company electronically. With your permission, I take it that you have already gone through the same. The Auditor's report on the financial statements and the Secretarial Audit report of the Company for the financial year ended 31st March 2020 do not contain any qualifications, reservations, adverse remark, or disclaimer. Accordingly, the reports are not required to be read out, as provided in Companies Act 2013.

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Now, with your permission, I will begin my formal address to the shareholders.

Dear Shareholders,

On behalf of the Board of Directors of the Company and on my behalf, I welcome you all to the 13th Annual General Meeting of the Company. At the outset, I would like to present a brief overview of the economic conditions prevailing in the country as well as across the Textile Industry. The world economy was already sluggish before the outbreak of Coronavirus and after the pandemic struck, the global economy was projected to contract sharply by 3% in 2020, much worse than 2008-09 financial crisis and its impact felt by all the businesses around the globe. The outbreak of Covid-19 pandemic and the resulting lockdown has affected the world economy, including India, leading to a significant decline and volatility in the economic activities. Slow economic activity and liquidity challenges impacted the overall demand scenario in the industry. The economic environment became more uncertain, businesses became more cautious on long term spending, and global purchases of machinery and equipment deaccelerated. In a prolong spread of the virus that leaves supply chains disrupted, the global slowdown could deepen, creating uncertainties for India. Many countries have faced a multi-layered crisis comprising domestic economic disruptions, curtailing export demand, capital flow reversal and a collapse in commodity prices.

Owing to a strict nationwide lockdown due to the novel coronavirus during most of the first quarter of financial year 2020-21, India's Gross Domestic Product (GDP) for the April-June Quarter slipped by a sharp 23.9% as per provisional estimates released by the Ministry of Statistics and Program Implementation. The GDP has expanded by 5.2% in the corresponding period of 2019-20. India's galloping GDP growth, which was aiming for a USD 5 trillion by 2024, seems to have reached a sudden hurdle in the wake of a crisis of an unprecedented magnitude.

India's textile sector is one of the oldest industries in the Indian economy, dating back to several centuries. India's textile industry has a capacity to produce a variety of products suitable for different market segments, both, within India and across the world. Apart from the global slowdown, few other factors like high cost of working capital and power, low average productivity from unskilled operators, challenges in infrastructure, logistics cost as well as longer turnaround time at port have also affected the industry. The condition worsened when Covid-19 induced the national lockdown imposed by the Government led

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to shutdown of fully functional industries across the country, with demand reducing substantially across the globe including the domestic market. However, the market is expected to pick up momentum during the third quarter of the current fiscal.

Technical textiles are an important part of the textile value chain and its potential is still largely untapped in India by 2020-21, the technical textile sector is projected to reach a market size of Rs 2 lakh crore. To boost the technical textile sector, the Ministry of Textile has taken the initiative of persuading all the user ministries at the highest level to incorporate the relevant technical textiles in their specifications, manuals, guidelines etc.

The Government had, in the month of May, announced monetary and fiscal support worth Rs 20.97 lakh crore to mitigate the impact of Coronavirus pandemic, which includes reduction in interest rates, announcements of EMI moratorium in loan repayment, which pushed an already slowing economy into a standstill, affecting businesses and thousands of jobs. The Government has set up the National Technical Textile Mission and is formulating the new Textile Policy 2020 to make the sector competitive, modern, sustainable, and inclusive. Your Company carries out trading operations by export of following yarns: - 100% cotton raw white yarn, 100% cotton dyed yarn, and 100% cotton mélange yarn. These exports were mainly to Europe, Mauritius, Tunisia, Bangladesh, and other countries. Since most of these products are commodity in nature, they have thin trading margins.

I now draw your attention to the performance highlights of your Company during the financial year 2019-20. During the year, your company recorded a revenue of Rs 271.57 lakhs against Rs 150.63 lakhs recorded in the previous year ended 31st March 2019. Furthermore, during the year under review, your company achieved a marginally lower profit of Rs 30.65 lakhs against Rs 35.19 lakhs in the previous year. Your company is proposing to improve the sales of various yarns in the domestic as well as international markets and is hopeful of achieving a sizeable turnover and profitability in the future. I would like to draw your attention towards the results of the first quarter of the current fiscal 2020-21 where due to Covid-19 crisis worldwide, your company was not able to make any sales during the quarter ended June 2020. However, the Company achieved a profit of Rs 4.41 lakh against Rs 5.50 lakhs in the previous quarter.

I take this opportunity to express my sincere gratitude towards my colleagues on the Board for their valuable guidance and advice for the management of the company. On behalf of your Company's Board, I also take this opportunity to express my sincere thanks and

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gratitude to all our bankers, financial institutions, central and state Governments, stakeholders for their co-operation and support, particularly during these difficult and challenging times and who have stood behind us. Our people are the real source of our success. I take pride in the unswerving contribution and commitment to the growth of your Company. Last but not the least, our deepest gratitude to each one of you shareholders. I will look forward to your continued support. Thank you very much.

Arjun Sharma: We have also received the request from two members of the Company for registration as the speaker shareholder in the AGM today. All those shareholders have been provided specific links to login to the meeting and we shall allow them to speak once the Chairman directs the same. We request speakers to limit their speech to 3-5 minutes for the benefit of other shareholders. The Chairman would be responding to such queries either during this AGM or subsequently through e-mail. If any member faces any technical issues, kindly contact helpline numbers of NSDL as provided in the notice of AGM. Now, I would like to highlight to the speaker that when I take your name, your mic will be opened by the moderator of this meeting. You will have to also unmute mic from your end and express your views or ask questions. I now invite Shri Abhishek Jain, Folio DP and client ID number IN301637 41359155, who has registered himself as a speaker to express his views and ask questions.

Abhishek J: Sir, my name is Abhishek J, DP ID IN301637 and client ID is 41359155. First of all, I congratulate the management on the eve of 13th Annual General Body Meeting. Sir, first, hope all is well with you and your family. The response our Company is getting in current market cap more than a decade of successful operations and profitability and becoming one of the strongest brands is our respective industry.

Shekhar Agarwal: Abhishek Ji can you kindly speak closer to the mike please.

Abhishek J: Yes, sure. Our company do not have any dividend history. So kindly share when was the last dividend being declared by the management. I would like to know what is the view of the management going forward, sustainability with the profit earning growth challenges in the coming quarters? What are our plans to improve working capitals, sales ratio, ROC, EBIDTA ratio and are we involving ourselves in some con-call quarterly presentations etc. I would like to know from you? Then our stock has come down

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to be a penny stock. We never expected our Company to drop in the market. We were expecting good returns.

Shekhar Agarwal: Abhishek ji, I will answer some of your questions. So, the first point that you raised was about the dividends. The Company has not declared any dividends so far and the reason why it has been so is because the Board of Directors have found it prudent to conserve resources and when the right time comes, we will definitely declare dividends in the Company. The company does not have any borrowings from anywhere and therefore we do not have any issues relating to working capitals or term loans. What was your 3rd question. I was not able to understand your 3rd question.

Abhishek J: I just asked you, what are the Management's efforts going forward regarding sustainability of profits and challenges that are coming ahead?

Shekhar Agarwal: As I have mentioned in my address to you, we are very aggressively pursuing trading of yarn and hopefully, starting from this quarter, we will see an upturn in the turnover of the Company and as well as the profitability.

Abhishek J: In page number 1, we have our auditors name alone being mentioned, if you write auditor's full address and contact details, the report will look more transparent Sir. This is my suggestion. Page number 7, if you see that the income has grown up to Rs. 2 crores 71 Lakhs but the profit has reduced. So kindly give us some feedback Sir.

Shekhar Agarwal: Again, like I mentioned earlier, this is a trading business. So the margins are very thin. Last year the yarn market was sluggish and therefore the margins were reduced further. So, in spite of a higher turnover, we were still able to maintain profits. Although a little lower than the previous year.

Abhishek J: We have an associate Company.

Shekhar Agarwal: I am not able to hear you.

Shantanu Agarwal: We are not able to hear you.

Arjun Sharma: He is still there but we are not able to hear him.

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Shekhar Agarwal: Please take concerns of the shareholder and any day you can get in touch with Mr. Arjun Sharma for an appointment and we will definitely talk to you. We appreciate you joining us today.

Abhishek J: Thank you Sir.

Shekhar Agarwal: Is there any other member Arjun who would like to speak today?

I think Arjun's line is weak. Atul is there any other speaker for now?

Atul Jain: There should be one more speaker. Arjun ? There should be one more speaker. Arjun your voice is not coming.

Shekhar Agarwal: Arjun seems to have logged out.

Arjun Sharma: The other speaker shareholder is not joining.

Shekhar Agarwal: Okay, I would like to thank all the members for attending and participating in this AGM. We have 2 resolutions for approval in this Annual General Meeting.

Item number 1 is of Ordinary Business and to receive consider and adopt the audited financial accounts including audited, consolidated financial statements for the year ended 31 March 2020, along with the report of Board of Directors and Auditors thereon.

The resolution is placed before the meeting to be passed as an **Ordinary Resolution**. Someone will have to propose and second it.

Arjun Sharma: Sir, it is not required to propose and second it.

Shekhar Agarwal: Ok.

Item number 2 is again of Ordinary Business to appoint a director in place of Shri Riju Jhunjhunwala (DIN: 00061060) who retires by rotation and being eligible, offers himself for reappointment.

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The resolution is placed before the meeting to be passed as an **Ordinary Resolution**.

Members who have not cast their votes through remote e-voting or e-voting during the proceeding of AGM are required to kindly vote on the proposed Resolutions, i.e., Resolution number 1 and 2 of the notice of the AGM. The e-voting module in the AGM is already active. Members may note that the result will be declared within 48 hours, i.e., on or before 24 September 2020, after considering the e- voting done today by members participating in this AGM and also the remote e-voting already done by the members. To further inform that the results along with the scrutinizer's report shall be submitted to the stock exchange, i.e., BSE and will also be placed on the website of the Company and NSDL. All the business set out in this notice of this meeting have been concluded and after a time period of 15 minutes, would be available for voting at the meeting, after which the meeting will stand close.

Please stay safe and take good care of your health. Thank you very much and see you next year.

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