

**TRANSCRIPT OF THE 35<sup>TH</sup> ANNUAL GENERAL MEETING OF APL APOLLO TUBES LIMITED HELD AT 11:00 AM ON TUESDAY, SEPTEMBER 29, 2020 THROUGH VIDEO CONFERENCING**

**Deepak C S (Company Secretary):**

“Good Morning, dear Members!

I am Deepak C S, Company Secretary of APL Apollo Tubes Limited.

As part of safety precautions, I need to keep my mask on.

I welcome all the members to this meeting. With us here present in person are Shri Ashok Gupta, Vice Chairman, Shri Vinay Gupta and Shri Romi Sehgal Directors and Shri Deepak Goyal, Chief Financial Officer.

We also have other Invitees and dignitaries who have joined through VC whom we shall be introducing in a short while after the roll call process.

Before we formally start the proceedings of the meeting, I would just give a brief about this particular meeting. This meeting is being conducted through VC pursuant to the relaxations given by the Ministry of Corporate Affairs in view of the difficulty in conducting meetings with presence of members at a common venue, on account of the outbreak of the pandemic. Our Company is conducting this AGM through the Webex facility provided by CDSL. The system complies with the requirements of the MCA circulars: it has a two way teleconferencing facility and has a capacity to allow at least 1000 members and is otherwise in compliance with the requirements of MCA.

Further, participants have been kept on mute mode by the Host to avoid background disturbance and for seamless conduct of meeting, I also request the Panelists to keep it muted except when one is required to speak, to avoid disturbances. As far as the voting is concerned, remote e-voting was available for this meeting from 26<sup>th</sup> September, 2020 at 10:00 AM to 28<sup>th</sup> September, 2020 at 5:00 PM. Hope shareholders would have voted in this and there is voting at the venue also which is available for the members who have not voted through electronic e-voting. They may cast their vote in this AGM and this facility is disabled for the members who have already voted. Also, shareholders registered as speakers will be given an opportunity to speak at appropriate time as allowed by the Chairman and other Shareholders who want to raise their queries can ask through the Chat box facility and depending upon the nature of the query it will be either immediately answered or through e-mail sent to them later.

Due to non-availability of the Chairman due to some personal inconveniences, it is proposed that Shri Ashok Gupta, Vice Chairman be elected as the Chairman of the meeting.

Now, I request the host to initiate a poll on the election of Shri Ashok Gupta as Chairman of the meeting.”

*(It took a few minutes for the host to address the technical glitches and initiate the poll process. At this Shri Sanjay Gupta, Chairman arrived.)*

“Dear members, Shri Sanjay Gupta, our Chairman has come. I request the host to discontinue the process of election of he Chairman.

I now welcome Shri Sanjay Gupta, Chairman to the 35<sup>th</sup> Annual General Meeting of the Company. Sir, as requisite quorum is present I request you to kindly chair the proceedings of the meeting.”

**Sanjay Gupta, Chairman:**

“Good day ladies and gentlemen! A very warm welcome to everyone present today at the 35<sup>th</sup> Annual General Meeting of your Company. Your Company has performed well during the year under review and with the continued support of all the stakeholders including the investors, the Company was able to deal with the challenges posed by the outbreak of the pandemic.

I am sure that with the continued blessings and support of our esteemed investors in future also, we will be able to emerge stronger and grow.

I hope you and your loved ones are well and safe during this difficult period of the Covid-19 pandemic.

Now I request Shri Ashok Gupta, Vice Chairman to take up the remaining proceedings and also give a brief overview of the performance of the Company during the year 2019-20.

Thank you.”

**Ashok Kumar Gupta, Vice Chairman:**

“Good morning dear members.

Before we formally proceed ahead with the meeting, I request the Company Secretary to conduct a roll call of the panelists who have joined through VC.”

**Deepak CS (Company Secretary):**

“Thank you Chairman sir.

Dear panelists for roll call, kindly confirm your name, the location from where you are participating and a confirmation to the effect that none else has access to your venue. Will start with Shri Anil Kumar Bansal, Chairman of Audit Committee & Stakeholders Relationship Committee.

Anil Sir, kindly do the roll call process.”

**Anil Kumar Bansal (Chairman of Audit & Stakeholders Relationship Committee):**

“Hello members, I am Anil Kumar Bansal, I am attending this meeting from my residence in Greater Kailash and there in no one else available in my room.”

**Deepak C S:**

“Thank you Sir, welcome to the meeting. Now may I request Ms. Neeru Abrol, Chairperson of Nomination & Remuneration Committee to do the roll call.”

**Neeru Abrol (Independent Director and Chairperson of Nomination & Remuneration Committee)**

“Namaskar, I am Neeru Abrol, I am speaking from my residence, Lajpat Nagar, New Delhi and there is no one else here who has access of the proceeding of this meeting.”

**Deepak C S:**

“Thank you Ma’am, welcome to the meeting. Now may I request Mr. Virendra Singh Jain, Independent Director, to do the roll call.”

**Virendra Singh Jain, Independent Director**

“I am V S Jain and I am speaking from my residence in Delhi and confirming that no one else has any access to this meeting.”

**Deepak C S:**

“Thank you Sir, welcome to the meeting. Now may I request Mr. Abhilash Lal, Independent Director, to do the roll call.”

**Abhilash Lal, Independent Director**

“Good Morning everyone, I am Abhilash Lal, attending this meeting from my residence in Gurgaon. I confirm that there is nobody else in the room with me. Thank you!”

**Deepak C S:**

“Thank you Sir, welcome to the meeting. Now may I request Mr. Rashim Tandon, Partner, Statutory Auditor, to do the roll call.

Mr. Rashim are you there?”

**Moderator**

“Mr. Tandon’s login is not active at the moment, will try to join him back.”

**Deepak C S:**

“Moderator, please see. Now may I request Mr. Abhishek of Deloitte, Haskins & Sells LLP, Chartered Accountants, , Statutory Auditors, to do the roll call.”

**Abhishek Lakhota:**

“Good Morning everyone, Abhishek this side from Deloitte, Statutory Auditor of the Company. I am taking this meeting from my home and there is no one else who is with me in the room. I am only accessing the proceedings of the meeting.”

**Deepak C S:**

“Thank you Abhishek, welcome to the meeting. Now may I request Ms. Sarvari Shah, Partner, Parikh & Associates, Company Secretaries, Secretarial Auditors, to do the roll call.”

**Sarvari Shah:**

“Hi, this is Sarvari Shah, from Parikh & Associates and I hereby confirm that no one else has access to this meeting.”

**Deepak C S:**

“Thank you Sarvari, welcome to the meeting. Now I request Mr. Jatin Gupta, Scrutinizer, Jatin Gupta & Associates, to do the roll call.”

**Jatin Gupta:**

“Good Morning Everyone, this is Jatin Gupta, calling from my residence. I also confirm that I am able to hear and hopefully everyone is also able to hear me. Also nobody else has access to this place.”

**Deepak C S:**

“I welcome you all. Further, please note that all the Directors are present here and also confirm that no other person other than those sitting here has access to this meeting. Also, we have the presence of at least one Independent Director and the Statutory and Secretarial Auditors at the meeting and we are complying with the requirements as per the MCA circular.

As the quorum being present, may I request the Chairman to deliver a brief speech to the members.”

**Ashok Gupta (on behalf of Shri Sanjay Gupta, Chairman)**

“Dear Members, Let me give you a brief overview of the performance of the Company during the year 2019-20 and also the road ahead.

We all know that in the year 2020, due to the outbreak of Covid-19 pandemic worldwide, economies and various industries across India and international markets were adversely affected. The pandemic has created both panic as well as economic recession across the globe. But I am confident that your company will get through the prevailing headwinds as it has done when faced with challenges in the past. Our primary focus during this challenging period was towards taking all measures to shore up cash flows, ensure safety of our employees, business partners, communities, and to safeguard the interests of all our stakeholders. From the month of May, 2020 onwards, we started witnessing some recovery in demand.

Coming to the year under report, 2019-20 was a good year for us. Despite a muted demand sentiment prevailing in our business space because of economic and natural adversities, our sales volumes increased 22% over the previous year. We raised our market share with focused branding initiatives and an entrenched presence. Our EBITDA surged 23% and the bottomline soared 61%. During the year under review, we became leaner in terms of debt,

capped our fixed costs, and continued to streamline our plant and business operations to optimise variable costs. Our capacity utilisation also increased. We improved our overall business efficiency by streamlining our cost structure and stringently monitoring working capital utilisation. Our average working capital cycle improved to 20 days in 2019-20 as against 28 days in the previous year. We prudently deployed our operational surplus in strengthening our future. We invested in a manufacturing unit in Hyderabad and some land in Raipur and also reduced our debt burden marginally. Our debt-equity ratio improved to 0.6times as on March 31, 2020 from 0.8 times as on March 31, 2019.

The prospects in the immediate terms is uncertain. In fact the first half of the year is almost over and we are still in the process of coming to terms with the pandemic and its impact. It will be some time before the economies will be able to assess the actual social and economic impact of covid-19. At APL we are doing better than others in the industry. We hope to see some decent volumes in the second half as some of our user sectors would resume operations.

We expect business profitability to improve in the long term as the contribution from value-added products and profit contribution from of Apollo TriCoat Tubes Ltd will improve. We, through a wholly owned subsidiary hold 50.86% stake in Apollo TriCoat Tubes as on March 31, 2020. We are confident that our robust and resilient business model will help us sail through this trying time. Our focus will be on improving the utilisation of our manufacturing assets and deploying surplus cash flow in retiring debt to an optimum level. This will strengthen our financial foundation.

To improve profitability, we will continue to leverage our product development capabilities to launch niche items that address high-demand applications. We will concentrate on creating awareness of our modular door solutions (from Apollo TriCoat), which should contribute to the overall business margins and beef up the cash flow.

Prospects over the medium term looks cautiously positive. I am optimistic about the medium term future because the structural tubing market in India is pegged at 4 million tonnes on an overall steel consumption of 90 million tonne, which is about 4-5% of the overall steel consumption against a global average of 10%. There is adequate space for expansion from here. We are looking at an encouraging four fold increase in market size if India doubles its steel consumption in the next 10 years and the proportion of structural tubing in the overall steel consumption also increases to 10% which quite possible considering the government's thrust on expanding infrastructure, growing urbanisation and India's increasing appetite for world-class commercial structures. We are also working to widen our presence in the large diameter (150x150 mm to 300x300 mm) pipe segment. As a pioneer in large-diameter hollow section in India, we have created demand for these products. The large-diameter pipes account for about 7-8% of the APL sales volumes as against 3-4% for others. The segment holds immense potential in India as well as abroad. It is the fastest growing segment in the structural tubing space. In developed nations, the large-diameter pipe market is about 25-30% of the structural tubing industry, while in India, it is still at 3-5%. As such, the scope for growth is immense. In the next 3-4 years, we wish to grow this segment significantly so that it contributes 15-20% of our total sales volumes.

I strongly believe that the Company is capable of dealing with the challenges posed by the current situation and is well positioned to leverage the opportunities available. As a team,

we will persistently explore ways to improve our prospects over the coming years. We continue to implement revenue-enhancing and efficiency-improvement measures to capitalise on the favourable position we have in a growing market. We are further optimising our plant efficiencies by improving the engineering quality and the overall productivity. Our focus will be on ensuring high quality, whether it is related to products, services or any interactions with stakeholders.

I take this opportunity to express the management's gratitude to all the stakeholders, be it the members, authorities, customers, suppliers, business associates, lenders or employees. We hope to get the continued support from all the stakeholders including the members in dealing with the challenges posed by the pandemic and also in re-emerging even stronger in the times to come.

Thank you."

**Deepak C S:**

"Thank you so much. Sir. If you permit I will take up the remaining proceedings including Notice, Agenda."

**Chairman:**

"Yes, please."

**Deepak C S**

"Dear Members, the Statutory documents that are required to be made available for inspection are available on the login screen. There is a link available for two sets of documents: one is Register of Directors & KMPs maintained pursuant to Section 170 of the Companies Act, 2013 and the Register of Contracts, pursuant to Section 189 of the Companies Act, 2013 and we have also put the Certificate of ESOP Compliance issued by the Statutory Auditors of the Company.

Now, with your permission, I take the Notice, Directors' Report and its Annexures as read. Auditors Report is supposed to be read out if there is any qualification and as there are no observations/qualifications in the Statutory Auditor's Report issued by Delliotte Haskins & LLP, Statutory Auditors and also in the Secretarial Auditor's Report issued by Parikh & Associates, with your permission I take the same also as read.

Now, I am taking the Agenda items of the 35<sup>th</sup> Notice of AGM:

1. To receive, consider and adopt the Audited Financial Statements (Consolidated & Standalone) of the Company for the financial year ended 31<sup>st</sup> March, 2020 and the Reports of the Board of Directors and Auditors thereon
2. To appoint a Director in place of Mr. Romi Sehgal (DIN: 03320454), who is liable to retire by rotation and being eligible, offers himself for re-appointment as a Director
3. To re-appoint Statutory Auditor of the Company and to fix their remuneration
4. Ratification of remuneration payable to Cost Auditors of the Company for Financial Year 2020-21, of ₹2.50 lakh.

Above 4 (four) agenda items are proposed to be passed through Ordinary Resolution.

5. Re-appointment of Ms. Neeru Abrol (DIN: 01279485) as Director in the category of Independent Director

This resolution is to be passed as Special Resolution since the appointment is for the second term.

These are the five agenda items for which voting is to be done.

Now, if the Chairman permits, speakers who have registered their name can speak and also I request the speakers to confine the speech upto 1-2 minutes, due to paucity of time.”

**Chairman:**

“Permitted.”

**Deepak C S**

“I request the Host to unmute the registered speakers one by one. Please also enable the video with their permission. Firstly, please unmute Mr. Pradeep Sood.”

*(Mr Pradeep Sood could not connect)*

“Second, Mr. Sanjay”

**Host:**

“Mr. Sanjay is not available”

**Deepak C S**

“Mr. Gagan Kumar....”

**Host:**

“Mr. Gagan is not available”

**Deepak C S**

“Mr. Manjeet Singh....”

**Host:**

“Mr. Manjeet Singh is not present”

**Deepak C S**

“Please try to re-connect with Mr. Pradeep Sood.”

*(Again Mr Pradeep Sood could not connect)*

**Deepak C S**

“Will take Mr Pradeep Sood, later. Chairman sir, Shri Anil Kumar Bansal, being the Chairman of Audit Committee wants to share a few words about the Company. Anil sir, kindly share your views.”

**Anil Kumar Bansal, Chairman, Audit Committee**

“Thank you for giving me this opportunity. I have been on the Board of this esteemed company, I would say, for the last 5 years. I feel privileged because in this Company since I came in the Board, I saw not only the growth.... volume growth but also they are very systematic, professional that resulted in the progresses this company made. I must complement Mr Sanjay Gupta, the Chairman and the dynamic approach of him and his team, because as and when whatever we suggest as the Directors of the Board, he agreed and he executed the same. Friends, compliance has a cost but this Company never shied away from compliance culture and friends I am very happy for their Corporate Governance and transparency in their accounts, robust risk management system also of course the Directors: Jain Sahab, Neeru Abrol, Abhilash Lal, and others plays very active role, systematic role. Auditors are very professional, whenever whatever they say, there is never any hitch to the Company, accounts or any department. They complied whatever as suggested and I think if this is the way the Company grows their balance sheet, the profits, times ahead will be very wonderful for this Company.

I wish this Company all the very best, stay always happy and grow forever.”

**Chairman:**

“Thank you sir.”

**Deepak C S:**

“Thank you Anil sir for sharing your views from the perspective of Chairman of the Audit Committee.

Dear Host, kindly re-connect with Mr. Pradeep Sood.”

*(Mr Pradeep Sood, shareholder was reconnected and he briefly spoke about the Company and appreciated its performance. He also commended the promptness of the Company in addressing shareholders’ grievances and the co-operation extended by the officials, whenever as a shareholder he or others approached them.)*

**Deepak C S:**

“Thank You so much Pradeep Ji, for your kind words.

If there is any other shareholder who wants to speak, they can raise their hands by clicking on the hand raise option and the Host will unmute you.”

**Host:**

“No person is raising their hands.”

**Deepak C S:**

“OK. Its about e-voting; members who have not cast their remote e-voting or e-voting during the proceedings of AGM are requested to kindly vote on the proposed resolutions. Once these proceedings conclude the voting window as available on your login will be kept open



for at least 15 minutes during which all the members present and have not voted earlier through remote e-voting can cast their votes.

Once the voting is over, Shri Jatin Gupta, the Scrutiniser will present his report to the Chairman and the results on voting would be declared within 48 hours of conclusion of this meeting and same shall be posted on the website of the Company and shall also be disseminated to the Stock Exchanges.

Now, I request Shri Deepak Goyal, the CFO to propose a vote of thanks to both the Chairman and the Vice Chairman.”

**Deepak Goyal, Chief Financial Officer:**

“Now I propose a vote of thanks to Sanjay Gupta ji, the Chairman and Shri Ashok Gupta, Vice Chairman for and behalf of all the members and others present.”

**Deepak C S:**

“I hope that uninterrupted video and audio was available during the meeting to the panelists and the members present through VC. Now, I request the Chairman to formally conclude the proceedings of the meeting.”

**Sanjay Gupta, Chairman:**

“I extend my special thanks to the members present, the Board Members, Auditors, Scrutiniser for attending this AGM and CDSL for providing the platform for successfully conducting this meeting and I declare the meeting as officially concluded.”