

SUTLEJ TEXTILES AND INDUSTRIES LIMITED

“18th Annual General Meeting”

August 21, 2023

3.00 p.m. to 3:37 p.m.

TRANSCRIPT

Mr. Manoj Contractor - Company Secretary:

Dear Members,

Good Afternoon,

I welcome you all to the 18th Annual General Meeting of Sutlej Textiles and Industries Limited.

The time is 3.00 p.m. and it is now time to commence the proceedings of the meeting.

This Annual General Meeting is being held through video conferencing in accordance with the provisions of the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI.

I have been informed based on registrations received from Members for this meeting, that the requisite quorum is present.

Mr. Chandra Shekhar Nopany, Executive Chairman of the Company shall chair the meeting.

I now request Mr. Nopany to commence the proceedings. Thank you.

Mr. C. S. Nopany - Chairman:

Thank you so much.

Good Afternoon Ladies and Gentlemen. I welcome you all to the 18th Annual General Meeting of your Company. I hope you are safe and keeping well. We have the required quorum present through video conference to conduct the proceedings of the meeting. Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by Ministry of Corporate Affairs. The quorum being present, I call this meeting to order.

I am attending this meeting through video conferencing from my office in Kolkata.

Let me introduce my colleagues on the Board who have joined us in this meeting:

1. Mr. Rajan Dalal, Independent Director and Chairman of the Audit Committee;
2. Mr. Amit Dalal, Independent Director and Chairman of the Stakeholders Relationship Committee;
3. Mr. Rajiv Podar, Independent Director and Chairman of the Risk Management Committee;

4. Mr. Rohit Dhoot, Non-Executive Director;
5. Mr. Ashok Mittal, Non-Executive Director; and
6. Mr. Rajib Mukhopadhyay, Wholetime Director and CFO.

Mr. Umesh Khaitan, Chairman of the NRC and CSR Committee of the Company has conveyed his inability to attend the meeting and has accordingly authorized Mr. Rajan Dalal, a member of NRC and Mr. Amit Dalal, a member of the CSR Committee, to represent the Committees in compliance with the provisions of the Companies Act, 2013.

We also have amongst us Mr. Amit Jain and Mr. Rohit Pokharna, representing M/s. B S R & Co. LLP, Statutory Auditors and Mr. Rajendra Chouhan, representing M/s. R. Chouhan and Associates, Practicing Company Secretaries, who is the Scrutinizer for this meeting and also the Secretarial Auditor of the Company. They have joined this meeting from their respective locations.

I now commence the proceedings of this meeting as contained in the notice dated 05th May, 2023.

Since the meeting is being conducted through electronic means, no proxies are allowed to attend the meeting.

The Register of Directors and Key Managerial Personnel under the Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements under Section 189 of the Companies Act, 2013 are available for inspection electronically.

I would now like to give a brief perspective about the Company and the sector that your Company operates in.

The year under review was marked by both phases; the first half of the financial year was marked by buoyant demand and realizations that arose out of aggressive inventorization in anticipation of post-pandemic buying. However, once inventories peaked and the buying plateaued, there was a decline in realizations followed by inventory liquidation, precipitating a further decline.

The global textile sector was also affected by an inflation-induced economic stress and energy crisis that had far reaching implications on development issues.

Instead of waiting for realities to improve, your Company embarked on a concerted effort to the prevailing slowdown. This is reflected in our belief of - 'Sustainable Transformation'- which comprises our life cycle response, extending from strategic blueprint to conviction leading to timely action and to sustainably positive outcomes. We are optimistic that when the response plays out the foreseeable future, it will have strengthened the business model, deepening our resistance to similar market cycles and enhancing our capacity to capitalize.

Our conviction is not newfound; it was consistently reinforced by the capacity to invest for the long-term on previous occasions, address the premium end of the market, energizing the organization

across levels while responding cohesively and uniformly to generate the biggest positive impact. This has worked each time, making it possible for the Company to rebound with enhanced vigour.

This time the response is going to be no different and we are optimistic that once the sectorial downtrend consumes itself, your Company will be better placed to carve away a larger share of the customer's wallet in a sustainable way. When this transpires, the Company will be attractively positioned to capitalize on superior economies on a larger operating platform, building larger enduring value.

The global economic growth declined from 6% to 3.2% in 2022. The Indian economic growth declined from 8.7% in 2021-22 to 7% in 2022-23, in fact it might be marginally lower than 7% which is still a creditable performance considering that the growth of the previous year which was on account of a lower base of 2020-21, a year marked by the pandemic. Besides this Indian growth was possibly the fastest within the G20 economies and the country retained its position as the fifth largest global economy.

The weakness in global sentiment was largely on account of two events. The Russia-Ukraine conflict affected global trade and consumer sentiment through the course of the last year. Besides, the trade disruption between US and China affected product movements across continents. These events translated into a structural shift of importance: the world began to consider resource procurement from non-China supply chain partners with the objective of moderating their excessive dependence on China. We consider this preference to have significant global implications; even if a fifth of the global supply coming out of China could move to alternative countries like India, there could be a considerable redistribution of capacity that could transform some of these nations.

At Sutej, our primary objective is to weather the downturn with minimal impairment to our business model or the Balance Sheet.

We belong to some of the most enduring textile sector ecosystems that commence from the stable community of vendors from whom we procure resources and extends to fabric makers to garment manufacturers. I am pleased to communicate that our eco-systems remained relatively protected during two quarters of the last financial year when the impact of the sectorial slowdown was pronounced. This does not mean that our ecosystem was not impacted; these value chains or supply chains were relatively less impacted on account of their value-addition and by the virtue of addressing non-volatile market segments.

The cascade of this reality was reflected on our performance during the last financial year. During the challenging third and fourth quarters, your Company reported nearly the same sales by tonnage as it had done in the corresponding period of the previous year. By the virtue of retaining customers and holding on to tonnage sales, your Company demonstrated the multi-year stability and longevity of its customer profile. This reality continues to provide the Company with sales visibility through the course of the slowdown, which should generate adequate revenue for overheads to be covered,

debt obligations to be addressed and a reasonable surplus to be reported during the worst end of the sectorial cycle.

We have responded with a two-word blueprint not just to weather the slowdown but to build a stronger organization. Our objective is not merely one-off profitability; our objective is multiyear sustainability through the following priorities.

One, we are responding to the slowdown on one hand and the need to build a reinvented Sutlej with a war room commitment, no less.

Two, we believe that the best way to beat the slowdown and build long-term sustainable transformation would be through a complement of doing regular things differently and doing different things.

Three, we believe that a crisis should be seldom wasted and, in this regard, we are not merely engaged in re-tooling our organization; we are focused on reinventing it through sustainable transformation.

Four, the Company will position itself even deeper as a global spun and dyed yarn organization that has selected to work out of India. The result is that we will derive a larger proportion of our revenues from exports.

Five, if there is one word around which the Sutlej of tomorrow is likely to be referred, the word would be 'nimble'. In the past, the word referred to the capacity to take quick decisions; going ahead with a holistic application of this attribute will mean that we will not only enhance our responsiveness in the face of events but also enhance the nimbleness of our customers.

At Sutlej, our leads for the future are derived from the realities of the present. During the last financial year, despite the sectorial slowdown, your Company operated overall spindles at 93.43% capacity utilization. If the market revives even marginally, there is a possibility that we may not be left with adequate spare capacity to service our customers. As a Company that enjoys a high customer retention - more than 60% of the Company's revenues were derived from customers of five years or more in FY 2022-23 and the priority is to enhance our spindle capacity in line with the growing businesses of our customers. The Company will explore this option judiciously when the health of the sector revives.

Our Company is optimistic on generating adequate cash flows to service timely interest outflows and debt repayment, strengthening shareholders value.

I must end by expressing my heartfelt thanks to all our stakeholders for their support.

Friends, the Annual Report and the Notice convening the 18th Annual General Meeting has already been sent through electronic means. With your permission I shall now take this as read. The Statutory Auditor's Reports on the Company's standalone and consolidated financial statements for

the financial year 2022-23 are unqualified. With your permission I will take these reports as read. I will now request the Company Secretary to read out the proceedings.

Mr. Manoj Contractor - Company Secretary:

Thank you Sir.

The Company had provided the facility of remote e-voting to Members for casting their votes on the resolutions set-out in the Notice convening this Annual General Meeting. The e-voting facility was made available to Members from 9.00 a.m. on Friday, 18th August, 2023 till 5.00 p.m. on Sunday, 20th August, 2023.

Electronic voting facility has been made available during the proceedings of this meeting to enable Members who have not cast their votes through remote e-voting, to exercise their voting rights. The e-voting window shall be activated upon instructions by the Chairman during this meeting.

Mr. Rajendra Chouhan, representing M/s. R. Chouhan and Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to oversee the e-voting process.

Members who have already voted through remote e-voting shall not be eligible to participate in the voting today. However, they can continue to participate in the AGM.

The results of the voting will be declared within two working days based on the Scrutinizer's Report and the same will be published on the Company's website and uploaded on the websites of National Stock Exchange of India Limited and BSE Limited.

Thank you.

Mr. C. S. Nopany - Chairman:

With the permission of the Members, I now move the resolutions contained in the Notice of this AGM.

Since this meeting is through electronic mode, members will not have the opportunity to propose or second the resolutions. Combined results of remote e-voting and e-voting during the meeting on resolutions, will be considered for approval of the resolutions.

First item of the Notice is to receive, consider and adopt the Standalone Audited Financial Results of the Company as on at 31st March, 2023, together with the Reports of the Auditors and Directors by way of an ordinary resolution.

Second item of the Notice is to receive, consider and adopt the Consolidated Audited Financial Statements of the Company as at 31st March, 2023, together with the Reports of the Auditors thereon by way of an ordinary resolution.

Third item of the Notice is declaration of Dividend. The Board of Directors have recommended a dividend of Re. 1/- per share on 16,38,28,620 equity shares of Re. 1/- each for the financial year 2022-23 by way of an ordinary resolution.

Fourth item of the Notice by way of an ordinary resolution is regarding re-appointment of Mr. Rohit Dhoot as a Director, who retires by rotation and being eligible, has offered himself for re-appointment.

Fifth item of the Notice is regarding ratification of remuneration paid to M/s. K. G. Goyal & Associates, Cost Auditors for the financial year 2022 - 23 by way of an ordinary resolution.

I would now like to invite our shareholders who have registered for expressing their views at the meeting.

I will request the Company Secretary, to commence the question and answer session.

I shall respond once all the shareholders have shared their views.

Mr. Manoj Contractor - Company Secretary:

We have received requests from Mr. Ayush Gupta, Mr. Pramod Kumar Jain, Mr. Kewal Kumar, Mr. Yusuf Yunus Rangwala, Mr. Ravichandran Varadarajan and Mr. Vinod Agarwal.

In the interest of time and to make available opportunity to other shareholders, we request the speakers to be brief and limit their conversation to 3 minutes each and share the rest of the questions, in case they have any, by writing to us and we shall be happy to reply to the same.

The speaker shareholders are requested to mention their name and location from where they are joining.

I now invite Mr. Ayush Gupta to unmute his audio and video and share his views.

Mr. C. S. Nopany - Chairman:

Mr. Gupta can you unmute yourself please and switch on your video. Mr. Gupta can you hear us?

Ms. Rimpa Bag- NSDL:

I will request Mr. Ayush Gupta please unmute yourself. I think he may be facing some technical issues.

Mr. Manoj Contractor - Company Secretary:

I think what we can do is we can go to next speaker.

Mr. C. S. Nopany - Chairman:

And then bring him back later.

Mr. Manoj Contractor - Company Secretary:

I now invite Mr. Pramod Kumar Jain to unmute his audio and video and share his views.

Mr. C. S. Nopany - Chairman:

Good afternoon Mr. Jain can you hear us? Mr. Jain, aap mute pe ho. Please unmute.

Mr. Pramod Kumar Jain - Member:

Hello

Mr. C. S. Nopany - Chairman:

Haan boliye.

Mr. Pramod Kumar Jain - Member:

Ji Ji Namaskar

Mr. C. S. Nopany - Chairman:

Namaskar.

Mr. Pramod Kumar Jain - Member:

Main Pramod Kumar Jain Delhi se. Chairman Sir, Board of Directors aur Secretarial Department ka bahot dhanyavaad karta hoon jo apne iss AGM main muze bolne ka avsar diya. Aur aaj ke sabhi prastavit resolutions ka mein samarthan karta hoon. Chairman Sir aapne aapki arambh ki speech mein Company ke vartaman, bhavishya ke baare mein vistaar se sab kuch bata diya hai. Ab hume puchne ki koi zarurat nahi hain. Company ki leadership pe pura bharosa hain. Aapke leadership main bhavishya mein Company khub tarakki karegi, nayi uchayon ko chuyegi aisi mangal kaamanaa karta hoon. Aur apne Secretarial Department ka vishesh rup se dhanyavaad karta hoon jinhone samay pe apne AGM ki copy uplabdh karayi aur hume link vagaira jaise meeting main judna hain sab kuch samzaya gaya. Dhanyavaad ! Namaskar.

Mr. C. S. Nopany - Chairman:

Thank you.

Mr. Manoj Contractor - Company Secretary:

Thank you Mr. Jain.

I now invite Mr. Kewal Kumar to unmute his audio and video and share his views.

Mr. C. S. Nopany - Chairman:

Mr. Kewal Kumar zara unmute kar lijiye. Haan. Nahi, wapas mute ho gaya. Unmute kariye.

Mr. Kewal Kumar - Member:

Am I audible?

Mr. C. S. Nopany - Chairman:

Namaskar.

Mr. Kewal Kumar - Member:

Awaaz aa rahi hai aapko?

Mr. C. S. Nopany - Chairman:

Haan ji. Aa rahi hain.

Mr. Kewal Kumar - Member:

Good afternoon Chairman Sir.

Mr. C. S. Nopany - Chairman:

Aapki awaaz bahut dhimi ho gayi hain Mr. Kumar.

Mr. Kewal Kumar - Member:

Good Afternoon Chairman Sir, Board members and Suttlej shareholders. Myself is Kewal Kumar joining meeting from Delhi. I have a few questions in this meeting. Chairman sir, Cotton prices are increasing day by day in 2023, I would like to ask whether Company plans to manufacture fabric mix of cotton and PSF i.e. Polyester Staple Fibre to reduce cost of production and my second question is during current financial year first quarter 2023-24 surely margins are negative in both the segments Home Textiles as well as Yarn segments whether Company will be able to improve in the remaining quarters as textile business is already slowing in the USA. Thank you sir.

Mr. C. S. Nopany - Chairman:

Thank you.

Mr. Manoj Contractor - Company Secretary:

Thank you. Mr. Kumar.

I now request and invite Mr. Yusuf Yunus Rangwala to unmute his audio and video and share his views please.

Mr. C. S. Nopany - Chairman:

Yes. Mr. Yusuf please boliye. Unmute kariye. Haan boliye.

Mr. Yusuf Yunus Rangwala - Member:

Sir, Namaskar Sir, Namaskar Sir. How are you?

Mr. C. S. Nopany - Chairman:

Very well, Namaskar. Namaskar. Namaskar.

Mr. Yusuf Yunus Rangwala - Member:

First I will ask for your health sir. How is health sir? First question is that. Tabiyet is good? Health is good?

Mr. C. S. Nopany - Chairman:

Yes health is good. Mr. Yusuf, please put all your questions then will answer you. Health is good, Thank you.

Mr. Yusuf Yunus Rangwala - Member:

I got some 3 questions, Question No. 1 Total No. of staff, apne pass total number of staff kitna hai at factory? Second question, how many copy of balance sheet you have printed sir? I would like to know. What is the cost of copy? Etle 1 book ne copy no cost su che? Tame ketli copy tame print kari? Sir third point, apna product ketli country ma export thai che? Who are the main party for export sir? What export profit we are getting sir? Apne export je kare je apna product ema je apna kettle profit male che to helping us? Which country we are exporting our product sir? Point No 4. Chairman Sir, I would like to know apni factory ketli che? Mane tamari balance sheet nathi maili. Etle mane factory ni khabar nathi. About two months back there was exhibition at Nesco, where your people were there sir, I met the people, your staff, I was very happy to see all the products. Sir chota se sher pesh karna chahta hoon, Dekhne se jo dilo ki duri hain, Jab hum najdeek se dekhte hain tab hume bahot khushi hoti hain. Chairman Sir, mera itna humble request hai, agar ho sake toh factory visit karaiye. Kyuki aapka cotton dekhne se muze khushi hui. Aapke staff itne ache the, polite the sir, I have never seen so staff so polite. Your people are very excellent sir and they are very polite and they explained me everything sir. Sir mein jaanna chahta hoon apna kapda, I am not asking we are in the manufacturing cloth, apna kapda manufacturing ma what business Sir? I am not asking question sir. Apna main business, kapda na manufacturing what business sir? Who are the main competitors in business sir? Apna harif kon che business ma? I would like to know, whether the Reliance is a competition? Whether the Arvind is a competition? These my questions Sir, who are main competitors in the business Sir? Nothing more to add. Sir, hamna nava, najdeek ma raksha bandhan che sir, wish you a very happy rakshabandhan from my side, from all my friends and relatives and I am wishing you very happy sir, Smile, Sir chota sa ek aur sher pesh karna chahta hoon, kuch meetha ho jaye sir, kuch meetha ho jaye sir, meetha matlab kyu bolta hoon, diwali mein sir dhyaan rakhna mithai ke liye, matlab dekho chota se sher hain, meetha ho jaye aur diabetes chali jaye, mujhe koi diabetes nahi hai sir, aapki hasi sir hamare liye itni achi hain sir, Chairman sir appki hasi dekh ke mujhe bahot khushi hoti hain, aaj bahot meeting thi par sab chhodke Sir main aaya, Sir aap se judna chahta tha, ek bahana tha, Chairman sir baki ho sake toh mane factory visit karavjo, aapse rub b roo malva chahu chu saheb, thank you very much and aapke share department jitna taarif, iske liye main share purchase kar raha hoon, fullon ki khushboo kaliye ko bahar, apno ka saath aur apno ka start, aane waale sab resolutions, sab tyohar, Sir main sab, sir voting ke liye kabhi khulega sir, maine voting nahi kiya, when it opened sir? Voting band ho gaya sir, it is opened now? Voting, voting sir.

Mr. C. S. Nopany - Chairman:

Another 15 minutes.

Mr. Yusuf Yunus Rangwala - Member:

Acha that is why I, voting mein bhul gaya, mein abhi karunga within 15 minutes, mereko vote toh karna hain, kyuki hum aapke favour mein aur aapke chahne waalo mein se hai sir.

Mr. C. S. Nopany - Chairman:

Thank you

Mr. Yusuf Yunus Rangwala - Member:

Thank you sir, thank you very much, wadakkam sir, wadakkam, I am from south so wadakkam sir, wadakkam, my birth place is Madras, I am from Madras sir, thank you.

Mr. C. S. Nopany - Chairman:

Thank you, thank you

Mr. Yusuf Yunus Rangwala - Member:

Wadakkam, wadakkam.

Manoj Contractor - Company Secretary:

Thank you Mr. Rangwala.

I now invite Mr. Ravichandran Varadarajan to unmute his audio and video and share his views please.

Mr. C. S. Nopany - Chairman:

Yes Mr. Ravichandran, you have to unmute yourself, can you hear us Mr. Ravichandran?

Mr. Ravichandran Varadarajan - Member:

Yeah yeah yeah.

Mr. C. S. Nopany - Chairman:

Yeah, please go ahead.

Mr. Ravichandran Varadarajan - Member:

Can you hear me now?

Mr. C. S. Nopany - Chairman:

Yes I can hear you.

Mr. Ravichandran Varadarajan - Member:

Good afternoon Mr. Chairman and all the other Board members as well as all those attending the AGM. This is my first AGM actually with Sutlej. I have added to my portfolio Sutlej very recently. So I don't know much about the Company. I have got 8 points. First point is what are the major reasons? See you have explained the broad you know macro-economic factors that have impacted the Company. But broadly you know the main factors, important factors that have affected the

bottom line. Because Q1 results are also showing negative. That is Point number 1 and Point number 2 is are you going to remain a you know spinning unit or you are going to add value added products like you know engineering textiles or technical textiles, this is point number 2. Point number 3 is See Note No. 40 there is a BG that is mentioned 19.73 crore given to American Silk Mills, so what are the reasons? Why this guarantee has been given? What is the tenure for which this will continue? And also the conditions under which this guarantee can be invoked. Next point is in the last year's P&L, I am talking about the standalone, if you remove the impact of changes in inventory, if you take it to the level of last year, actually the company has made 109 crore of losses So I don't know the reasons why there has been buildup of finished stock at the end which has inflated the or increased the negative changes in the inventory. Next point is on the higher pension, the Supreme Court last year gave a verdict allowing employees to opt for higher pension, how the company has handled this, whether you have also taken it up and approved the claims of employees this I would like to understand. Next point is you have got being a textile mill employing both permanent employees as well as non-permanent employees, are there any preference given to the non-permanent employees when there is requirement of permanent employees that arises. This also I would like to understand from you. When this your plants are only in western and north are there any proposals to diversify you know regional diversification to put up plants either in the east or in the south. So I don't find any of your plants or plans to have come in the east. There may be geographical or logistical constraints but regional diversification should be looked at for long term employers like Sutej. And my last point, you know I interestingly you have reduced the freight and forwarding charges, so I don't know how it was achieved, I would like to understand how this was achieved, was it due to some government policy or some refund I do not know. May be you will, may explain this. These are my views, I would like to understand how the Company is going to come back to profitability and you know continue to reward the shareholders in terms of dividend. Thank you and wish you good luck for better performance in the future. Thank you.

Mr. C. S. Nopany - Chairman:

Thank you so much Mr. Ravichandran.

Any more speakers Mr. Manoj?

Mr. Manoj Contractor - Company Secretary:

Yes, one more speaker sir.

I now request and invite Mr. Vinod Agarwal to unmute his audio and video and share his views please.

Mr. C. S. Nopany - Chairman:

Haan Mr. Vinod Agarwal, can you unmute yourself please? Unmute kar lijiye, Haan very good. Boliye, nahi, aapka wapas mute ho gaya. Haan, kahiye kahiye.

Yes we can hear.

Mr. Vinod Agarwal - Member:

Respected Chairman Mr. Nopany ji, CEO Updeep Singh Chatrath and CFO Rajib Mukhopadhyay, Sir I have sent a long list via email my query one or two things which was there in it, is that PAT margin is just less than 1% Sir. How do you make it because 1% here and there some non-receivable go into non receivable means that margin gets wiped out and will go 22 crore whatever profits we made last year that also will become into losses sir this is one query. Actually the losses also are due to write off certain plant power plant sold and subsidy excess valuation those are actually I feel are non-cash losses which we have shown exceptional items of 56 crore is non cash exceptional items I would feel. Because of that the profit has come down from 85 crore to 22 crore I assume so and sir even on the segment, the Yarn segment still made a profit last year but the home textile still made a losses from 33 crore to 36 crore sir. How do you turnaround the Home Textile Business sir and were you exposed to Bed and Bath Linen Sir, that company filed for Bankruptcy sometime back in USA, are we exposed to that Company? Have we any receivable from that? And I wish the Company all the best sir, Nesterra is there. Sir can we come into also making yarn counts from 5 to 6 to 50 sir, can we go to finer yarn count sir 280 to 200 sir. These are the most finer counts used in fine shirting sir. These fine shirting if you want you don't use 60s and 30s, 40 is also fine no problem sir but these 280s and 200s are the best fabric or shirting sir. Are we likely to enter the shirting and suiting business also formal business sir this is my query sir. I wish the company all the best sir for the future and that dividend of 1 rupee and from 1.39 of EPS is good payout ratio dividend that you have paid. Hope you will maintain this kind of dividend payout in your future profit also. I sign off Vinod Agarwal from Mumbai sir. Thank you Sir.

Mr. C. S. Nopany - Chairman:

Thank you so much.

Mr. Manoj Contractor - Company Secretary:

We do not have any other speakers.

Mr. C. S. Nopany - Chairman:

So, thank you so much everyone, I will try to answer as many questions. I am so glad to see the support and curiosity what our members have and I will definitely try to answer as many questions as I can. What I can't answer or which I miss something we will definitely reply to all the shareholders with the written reply after the conclusion of the meeting. I think the basic point which was raised was regarding why the results are down and especially the last two quarters and the quarter one this year and what is the outlook in the future? Just to understand what is happening is that post pandemic and the post Ukraine war we have witnessed a lot of volatility in raw material prices. On one hand crude oil prices are fluctuating, we saw prices of synthetic fibre i.e. polyester and all fluctuate, went up significantly and then fell. Similarly, cotton prices which were prevailing around Rs. 45,000/- a candy went upto Rs. 1,10,000/- a candy and then started coming down and it went down again Rs. 50,000/- to 52,000/- and it ha gone up Rs. 57,000/- to Rs. 58,000/- which is resulting in a lot of uncertainty in the market place. The second thing what has happened is that

there has been reduction in consumer spend in the developed economies such as the US and Europe. India was a textile exporter, predominantly a textile exporter and the US and Europe were one of our main buyers. Now, this has resulted in demand supply mismatch and has resulted in imbalance where we are not able to export so much products out anymore as a result of which there is a pressure on the domestic market. Now, this has obviously hit us quite significantly, especially, yarn manufacturers. Because on one side, prices are falling, raw material prices are still going up and demand has been down. As a result of that quarter one was down and even for quarter two the outlook is that it is going to be little bit of a struggle. I personally don't expect much improvement till the till the end of quarter three. As far as industry is concerned, we have already started seeing some improvements, but I still think that it's going to be probably by the end of the year that we will start seeing returns as far as profitability is concerned. The Board of Directors had an option either to stop dividend or to continue dividend but because we have confidence on our own strengths as well as the market will rebound during the current year that we have maintained a dividend of Re. 1/- per share. As far as our product mix is concerned, let me tell you as far as yarn is concerned we have flexibility in our product mix, we can produce fine count yarns whether we go to 80s, 90s or 100s or keep it at the level where we are. So, basically this is our niche area, dominance area where we are recognized as market leaders and where we are able to get that kind of realization which is significantly better compared to the other options. But, this is an exercise which is continuously done by the management and whenever we see there is an opportunity in some kind of product mix, we immediately opt for that. We have that flexibility. As far as countries of exports is concerned, while we export quite a bit to the US, to Europe, but look, we export something like 60 plus countries in the world. A lot depends like Latin America, whole lot of countries we are exporting and we will continue to do, continue to focus on exports, but we are just waiting for the export markets to revive, hopefully they should start reviving by end of the year. As far as fabric vs yarn is concerned, we are predominantly a yarn manufacturer. 90% in fact slightly more than 90% of our revenue is derived from yarn itself and 10% to 15% comes from fabrics. We are evaluating various options where else we can go, what are the value additions we can do, and whenever we come to some kind of a conclusion, you know, once the market has stabilized, we will definitely inform the shareholders. The other point which was raised is regarding American Silk Mills and the loan that we have given, it is part of our Home Textile division, in fact American Silk Mills is a subsidiary, so it is a matter of funding which have done to them and this money is secured as far as Home Textile business is concerned and I think some members have mentioned whether we have any exposure to Bed and Bath who have gone bankrupt in the US, answer is no, we don't have any direct exposure to them. I think we have tried to answer as many questions as I have written down but in case I have missed anything we will respond to you.

Now, friends with the conclusion of the question answer session I will now mention that the e-voting window will be activating for allowing Members to vote during the AGM. Members are requested to vote by selecting EVEN: 124743 on your screen.

The Members who have not yet voted may cast their vote now.

The e-voting will end within 15 minutes from the end of this meeting.

All questions and queries received during the meeting will be responded via email in next couple of days.

On behalf of the Board of Directors and on my behalf, I would like to express my sincere appreciation for the continued co-operation, support and confidence reposed by all the stakeholders in the Company. I am sure your Company shall continue to receive your all round co-operation and support in the future as well. I would like to thank you for taking your time out to attend this meeting.

I now declare the proceedings of this meeting closed.

Thank you!

Mr. Manoj Contractor - Company Secretary:

Thank you Sir.

Mr. C. S. Nopany - Chairman:

Thank you so much.