

TRANSCRIPT

27TH ANNUAL GENERAL MEETING

CHEMTECH INDUSTRIAL VALVES LIMITED

FRIDAY, 29TH SEPTEMBER, 2023, 12 P.M. IST

Through Video Conferencing ('VC')/ Other Audio Video Means
('OAVM')

Management Participant:

Mr. Harsh Pradeep Badkur – Chairman

Mr. Ignatious David Inasu Chittatukarakaran- Whole-Time Director

Mr. Puneet Pradeep Badkur- Whole-Time Director & CFO

Ms. Amita Jain- Additional Non-Executive Independent Director

Ms. Prachi Dilkhush Kothari- Company Secretary & Compliance Officer

Company Secretary:

Dear Shareholders,

Good afternoon and a warm welcome to you all to the 27th Annual General Meeting of Chemtech Industrial Valves Limited. Here, we are having all the five Promoters i.e. Mr. Harsh Pradeep Badkur, Mr. Ignatious David Inasu Chittatukarakaran, Mr. Puneet Pradeep Badkur, Mrs. Namrata Pradeep Badkur and Mr. Pradeep Badkur.

For the smooth conduct of the meeting, all the shareholders will be in mute mode. The audio and video will be unmuted for those shareholders who have registered themselves as the Speakers during Question & Answer

Session. However due to lack to time-frame, we would unmute only one or two speakers, however the other shareholders have the freedom to share their queries in the chat box on the screen.

Please note as per the statutory requirement, the proceedings of the AGM of the Company is being recorded and the transcript of the same will be uploaded on the website of the Company.

I now invite our Chairman Mr. Harsh Pradeep Badkur to initiate the proceedings.

Chairman:

Dear Shareholders,

I have great pleasure to welcome you all to the 27th Annual General Meeting of our Company. It gives me pleasure to communicate with you once again. The Directors' Report and the Financial Statement for the year ended 31st March, 2023 together with the report of Auditors are already with you. I am sure you are completely satisfied and fully aware of the financial & physical health of your company.

As far as Financial Year 2022-23 is concerned it has been a very significant year for your Company as we have achieved several breakthroughs which will propel our future growth exponentially. Some of these laurels achieved are as mentioned below:

1. M/s. Chemtech Industrial Valves Limited has successfully manufactured & supplied various Fabricated Double Disc Gate Valves up to Size DN 2500MM to JSW Steel Limited, Integrated Steel Plant in Vijayanagar, Karnataka.
2. CHEMTECH INDUSTRIAL VALVES LTD (CIVL) has successfully Manufactured & Supplied DN 2200 MM GOGGLE Valve to a Leading Copper Plant in West India.
3. CHEMTECH INDUSTRIAL VALVES LTD (CIVL) has been granted a Patent

for its Innovative Product, Line Blind. This Product helps End Users across Industries achieve over 90% Cost Savings in Pipeline Blanking Costs, all while increasing Safety during Blanking Operations. The Company is receiving tremendous response from Customers across the Steel Sector for this Unique Product which offers a very high ROI to our Clients. Some of the customers are Tata Steel, JSW, Kalyani Steels; we are getting repeated orders from them for this product. This product is also a very high ROI Product. So going ahead it will represent a good fraction of the revenue of the Company

Future Prospects:

The Company is very optimistic about its Prospectus over the next 4 to 5 years considering the Huge Capex being undertaken by all major Industrial Houses in India. The Credentials built up over the last 2 decades will bear Exponential fruit over the next 4 to 5 years as we now have Vendor Approvals from all Major Steel Plants, including for all types of Critical Applications, which represent a High Potential Revenue Stream in the coming years.

Our designing capability to innovate enables us to meet the changing customer needs. We believe that our growth has been due to our ability to understand customer needs and build Customized Offerings which solve Customer Pain Points.

We would also urge the shareholders to look at our Company with a long-term prospect i.e. for next 5-10 years as we will witness an unprecedented growth in infrastructure in India.

The Company is now focusing on value added critical valves segment which is a higher margin as compared to traditionally what the Company is enjoying and it would also be reflected in the Financials of the Company. The designing capability with respect to innovating different customer needs and provide solution to the customers as we have done with respect to Line Blind, the Company would try to keep a similar approach in the future too.

We value the importance of our relationships and will continue to remain fair & true in all our dealings with all the stakeholders.

I express my sincere gratitude to my Directors as well as the Independent Director on the board for their valuable guidance & contribution & thank you all the stakeholders for being with us in this phase and assure you that in upcoming years the Company shall always strive better to give a performance.

Thank you all for attending this meeting Ladies & Gentlemen and now will hand over to Prachi for discussing the Shareholder's Queries

Company Secretary:

Can you please unmute Mr. Anil Babubhai Mehta.

Moderator:

Mr. Anil Babubhai Mehta is absent, can we move to the next Speaker.

Company Secretary:

Can you please unmute Mr. Anil Champaklal Parekh.

Moderator:

Mr. Anil Champaklal Parekh is also absent, can we move to the next Speaker.

Company Secretary:

Can you please unmute Mr. Yogesh V Vesvikar.

Yogesh V Vesvikar:

Mr. Harsh Badkur Sir, you have given a great explanation about the performance of the Company and how we would be achieving greater heights

in the coming future.

I would also like to express my gratitude to the Company Secretary of the Company, Ms. Prachi Kothari for sending us the physical copies of the Annual Report.

I would also like to congratulate the Company as the performance of the Company is highly visible from the share price of the Company.

I would like to support all the resolutions mentioned in the Agenda.

Queries:

1. As we are exporting to Russia, in future is the Company planning to export or trade with other countries?
2. With respect to conservation of energy, does the Company have solar rooftops at our factory?

Thank you for giving me an opportunity to speak. Wishing all the best for the coming future.

Thank you!

Chairman:

Thank you Yogesh ji for your support! I would like to assure that the Company would perform exponentially well and will hope for achieving new and greater heights.

With respect to the first query raised by you, yes the Company has been exporting to Russia, but since last one year due to Russia-Ukraine war some of the tenders are on hold, but however we are trying and thus would assure that by the coming year we expect a revival as we have a good customer over there named NMLK Steel and as we are supplying critical valves which are compared with the European manufacturers as a result of which we are enjoying a high-margin in such products.

Thus, we expect it to revive soon in the coming future.

With respect to the second query, the Company has not yet installed solar rooftops as there was a policy change by the Government.

However, the Company is practicing rain-water harvesting with respect to conservation.

Also, our product the Line Blind is helping various other Companies like Tata Steel, JSW in terms of conservation as it is helping them conserve labour cost, reduce pollution thus helping them achieve their ESG Goals, and thus we are proud of that invention by our Company.

Thank you Yogesh ji! Can we move to the next query?

Company Secretary:

Can you please unmute Mr. Neethu Josemon?

Neethu Josemon:

Queries:

1. What kind of growth is the Company expecting in the next 3 years? What kind of % goal is the Company aiming to achieve in the coming years?
2. The Patent "Lind Blind" that has been granted to the Company, what is the market size and what would be its contribution to the revenue in the coming 3-4 years?
3. Also, as the Company has a enough area in your plant to expand the production, so what is the capex that the Company is expecting in the coming future?

Chairman:

Hello Neethu Ji! It's nice interacting with you!

With respect to revenue growth, the Company has in the Financial Year 2022-23 generated revenue of Rs. 22 Crores and with respect to the coming future the Company is expecting a 30-35% of growth thus a expecting a high-growth phase. Also, the Company is having a healthy order-booking, thus hoping to achieve the estimated growth.

With respect to your second query, our product "Line Blind" it is a solution that

Company is providing to their customers like Tata Steel, JSW. Currently, the contribution of this product is around 8-10% of revenue and also it is a high-margin product and we are expecting a similar trend in the coming future.

With respect to the capex, the Company has a large plant at Wada, the photos of which have been shared in the Annual Report of the Company as well. Currently, there is no major capex in the plant. Last year we done some machinery capex, but this year there is no major capex. However, the Company would inform their shareholders if any such capex is expected.

Thank you Neethu ji!

Company Secretary:

I hope all your queries are answered Neethu ji!

So can we move to the next Speaker that is Mr. Amit Bagaria.

Amit Bagaria:

Hello Harsh, there were a couple of questions from my end.

Queries:

1. Does the Company only cater to steel industry?
2. As informed by you earlier, the Company is expecting a 30-35% growth in the coming years, so can you provide a similar outlook with respect to the margins as the Company is dealing in more value-added products?

Chairman:

Hello Amit ji!

With respect to the first query, the Company is being supplying products other than steel into power sector, fertilizers, oil & gas but however those aren't representing a large portion of the revenue as compared to steel. Also, in the coming years the Company is expecting 80-85% revenue from the Steel Sector, given the huge Capex coming up in the Steel sector & also as our maximum Strength & winnability is in the Steel Sector and hence the Company doesn't want to change their focus.

With respect to profitability, the Company is expecting a similar trend as last year.

Thank you Amit Ji!

Company Secretary:

The shareholders are requested to post their queries if any in the chat box. (As no queries were put by the shareholders in the chat box, the Company Secretary delivered Vote of Thanks)

We would like to thank all the Shareholders for showing their participation and we would promise our shareholders that the Company would try exploring more opportunities in the coming future and keep growing!

Thank you all!
