

## **TRANSCRIPT OF THE 39<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON 15.09.2022**

### **Company Secretary (CS)**

Good Afternoon and Namaste to all the Shareholders, Chairman, all the Directors, Senior Management and Invitees on the dias.

I Kanika Sehgal Sadana, Company Secretary & Compliance Officer of GP Petroleums Limited, pleased to welcome you all to the 39<sup>th</sup> Annual General Meeting of GP Petroleums Limited, being held through VC.

This year's Annual General Meeting is also virtual meeting being conveyed through video conferencing. The proceedings of the 39<sup>th</sup> Annual General Meeting are conducted in compliance with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Before proceeding ahead, I would like to spare few minutes to take you through certain technical and procedural aspects regarding participation in the meeting through Video Conferencing -

1. The facility of joining the 39<sup>th</sup> AGM through VC is being made available to the members on first come, first served basis.
2. All the members joining the meeting are by default placed on mute by the host to avoid any disturbance arising from the background noise during the meeting.
3. Once the question answer session starts, I being the company secretary will call out the shareholders who have registered themselves as speakers one by one. Only the audio of the speaker shareholder will be unmuted by the host and thereafter the shareholders are requested to click on video on button. If the shareholder is not able to join through video for any reason the shareholder can speak through the audio mode.
4. While speaking, we would request the speaker to use the cable earphones so that they are clearly audible. Minimize any noise in the background. Please ensure that the Wi-Fi is not connected to any other device, no other applications are running and there is proper lightning to have good audio and video experience.
5. If there is any connectivity problem at speaker's end, we would ask the next speaker to join. Once the connectivity improves, the speaker shareholder will be called again to speak once we complete the turn of all other registered speakers.
6. We would like to request the shareholders to kindly limit their speech to 2 to 3 minutes.
7. During the meeting, if the member faces any technical issues he or she may connect the helpline number mentioned in the notice of the AGM

Before we further proceed I would also like to state a disclaimer.

1. The presentation and discussions may contain forward looking statements by GP Petroleums limited such as future prospects, financial condition, Plans and Objectives, which are based on management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

2. Such statements are not and should not be construed as a representation of future performance or achievements of the Company and members are cautioned not to put any undue reliance on such forward looking statements.
3. Except as required by applicable regulations or by law, the Company does not undertake any obligation to publicly update or review any forward-looking statements, whether as a result of new information or future events.

I would like to inform you all that the Chairman of the Board of Directors shall be entitled to take the chair and to conduct the proceedings of 39<sup>th</sup> annual general meeting.

So I request Mr. Ayush Goel Sir to take the Chair of this meeting. Now, I request the Chairman, Ayush Sir, to take over and deliver the opening remarks. Thank you, everybody.

Over to you, Ayush Sir.

### **Chairman**

Good Afternoon to all of you. I welcome you all to the 39<sup>th</sup> Annual General Meeting of GP Petroleums Limited.

I am Ayush Goel, Chairman and Non-Executive Director of the Company and I am attending this meeting through video conferencing from Delhi. I hope you and your loved ones are all safe and healthy.

Now I wish to introduce my fellow Board Members and the management team of GP Petroleums who are with me on video conferencing.

Mr. Bhaswar Mukherjee, Independent Director and Chairperson of the Audit Committee, Stakeholders Committee, Nomination and Remuneration Committee of the company and attending this AGM from Mumbai.

Mrs. Stuti Kacker, Independent Director of the Company attending this AGM from Noida.

Mr. Mahesh Damle, Independent Director of the Company attending this AGM from Mumbai.

Mrs. Deepa Goel, Non-Executive Director of the Company attending this AGM from Delhi.

Mrs. Pallavi Mangla, Non-Executive Director of the Company attending this AGM from Sonipat.

Mr. Prashanth Achar, Chief Executive Officer of the Company attending this AGM from Mumbai.

Mr. Arjun Verma, Chief Financial Officer of the Company attending this AGM from Dubai.

Thank you all

We also have representatives from PNG & Company, the Statutory Auditors, P.P. Shah & Company, Secretarial Auditors, attending this meeting through video conferencing.

Further notice and the Annual Report has been circulated through email to all the members whose email addresses are registered with the Company/RTA/Depositories and the notice and the revised annual report have also been uploaded on the stock exchanges and on the website.

The company has received 2 Authorized Representations alongwith board resolution from corporate shareholders appointing authorized representatives to vote and attend the meeting under section 113 of

the Companies Act, 2013, in respect of 3,22,35,473 equity shares representing 63.23% of the paid up equity share capital. Since there is no physical attendance of the Members, the requirement of appointing proxy is not applicable for this AGM.

As the requisite quorum is present, I now call the meeting to order.

Now I would like to dwell upon the development of the Company in the last year, the overall sectoral outlook and a glimpse of the future direction of the company.

First of all, I would like to thank everyone who has been a part of this adventure with GP Petroleums family through out the years. This is a historic event, and I'm honored to be chairing the company with the Brand "IPOL", which is setting foot into its 50<sup>th</sup> year.

The year was full of challenges and action filled at GP Petroleums. However, despite various volatile business circumstances, I am proud to say that your Company has not only overcome these, but have also demonstrated a great resilience and flexibility allowing it to retain the turf by delivering higher revenues, PAT, PBT and the overall performance in all its segments. Our GP team led by the CEO Prashanth Achar rose to the occasion and performed admirably and passionately. Despite the strong headwinds, we remain optimistic about our business growth and aim to be one of the industry's fastest-growing players. As the year progresses, we anticipate growing demand from industries in the B2B sector as well as in tier 2, tier 3 towns in the B2C sector. We have a strong presence in these sectors and geographies as a consequence of our strategic expansion.

We boosted the top line by 18% to Rs. 718 Crores and the bottom line by 11.6% to Rs. 26.4 Crores in FY 22. Regardless of the challenges, this demonstrates the team's commitment to growth and enhancing investors value.

Finally, on behalf of the Board, I thank all the shareholders, stakeholders, business partners, Central and State Governments, Regulatory Authorities and others, for their cooperation, continued support and faith reposed in the Company. I would also like to thank every GPPL employee for being an unshakable pillar of strength and personifying relentless commitment to our core values by demonstrating their sincerity, efforts, perseverance and dedication. I look forward to your continued trust, confidence and support to the Company.

Thank you and wish you and your family the best wishes for the festive season. I pass it on to the CEO of the company Prashanth Achar to take it forward.

### **CEO**

So that's precisely our story of the year. Let me try to add explanatory notes around the visuals for your benefit.

Ladies and Gentlemen Hello and Good Afternoon!

As India celebrates its 75<sup>th</sup> anniversary of independence, a relatively unknown brand name "IPOL" is entering into its 50<sup>th</sup> year! This 'Made in India' brand has successfully and courageously survived the storm over the previous five decades. It survived the license Raj competing with the Indian oil majors when a swarm of multinational Goliaths invaded the country following deregulation. It remains firm. From waiting for base oils to be delivered through government-controlled machinery to the battlefield where petrol

pumps had given place to bazaars, the brand has seen it all. It has serviced everything from the most beloved ambassador cars to the modern-day Bharat 6 vehicles!

As a brand turns 50, I am honored to address you all the shareholders at this 39<sup>th</sup> Annual General Meeting. How did your brand managed to endure for so long, in a world when even Fortune 500 corporations don't last longer than 15 years? Well, what distinguishes us is a combination of customer centricity and product interventions tailored to customers needs and at the same time keeping the service cost optimum.

Today I will discuss the 3Gs. Grit, Game plan and Glory!

The first G, Grit is a salute to our team's tenacity and courage, it's adaptability and passion to keep going without losing sight of the goal in the recent challenging times where "10'Cs" is created havoc.

First covid created chaos and just when the world was beginning to return to normalcy, 9 more negative Cs followed during the year. The global economy is shaken by Conflict, Chip shortages, Container scarcities, Crude oil volatility, Currency inflation, Capital shortages, Credit rates and Credit availability all contributing to the difficulty. The Capex cycle is also going sluggish in the automotive industry and finally, there is widespread competition by all industry.

So Grit led to the second G what I call the Game plan. Every day, in the face of challenges we had to reimagine how we conducted business. I will outline a couple of initiatives that we focused on. On the supply chain front, to assure supply security, we adopted agile procurement practices and made tradeoffs between local and international purchases. Long-term agreements are being negotiated with regional and international refineries directly.

We needed to find alternative sources for additives rapidly. By adapting our blend kettles to wide range of needs. Whether it's a small batch or a large batch, we've optimized production. We maintain minimal amount of finished goods as well as raw materials in stock.

On the B2B front, if I have to touch upon the key initiatives, the industrial vertical is actively recruiting OEMs in newer segments. Over 10 partnerships are already in the bag and more in the pipeline.

The Rubber Process Oil vertical has added 5 new large customers and has been promoting reach compliant products which are nature friendly and are mandated for tyres that are exported to Europe.

In the B2C that's our automotive vertical, our channel partners were impacted severely during wave 2 wave 3 etc. and we did everything that we could to alleviate their sufferance. Another achievement for us is the continuation of our cooperation with Repsol for an additional 5 years. Contract terms are modified to reflect the altered market environment.

On the export front, we plan to expand our base in international markets. We are present in over a dozen countries and have recently been honored with the Export Star House status by the DFGT exports.

In the trading segment, selected trading has boosted the company's top line and improved its bottom line in a more constructive way I would say.

I will provide a quick update on the development with the Parent Company. The holding Company of GP Petroleums, GP APAC is undergoing restructuring. Due Diligence work is in the final stages. This restructuring created certain stress points for operation. For example, our banking lines were pruned from ₹220 crores to ₹65 crores during last year. In other words, we are sprinting with one hand tight

behind our back. This made us think on our feet and we rolled out “Barrel to Dollar” cash improvement programs. We did not miss a single order from the customer, nor did we miss the due date off an invoice for payment.

Your company is equally committed to the cause of society in which it works. On the Corporate Social Responsibility front, your Company is undertaking various programs for the differently privileged sections of the society under the ‘WE CARE’ platform. I'm happy to inform you that we have spent more than the CSR obligatory spends as a responsible citizen. For the last 2 years, your Company has provided health checkup facilities toward 4500 people from different walks of life. Your Company has also promoted women's empowerment by donating 80 sewing machines to women who are looking for a source of income in these difficult times.

Lastly, the 3rd G - Glory. The year was the worst ever in terms of the environment. Nevertheless, our performance was the best in 50 years, thanks to my team. Possibly the greatest way to kick off the run up to 50th anniversary celebrations! We outperformed most of the KPIs. I won't go into all the details but here are a few. Our gross turnover hit an all time high of ₹742.5 crores, an increase of 16% over the previous year. I am referring to gross turnover here. This is especially note worthy given the 70% decrease in banking lines. Current ratio nearly doubled to 3.9 from 2 last year. Quick ratio moved from move to 1.7 from 0.7. Inventory holding period almost halved to 59 days from 107 days. Still, a lot more work needs to be done in this area, which we are, we have taken cognizance of. Profit before tax at ₹26.36 crores was up by 11.6%. However, EBITDA margin has been reduced from 5.3 to 4.7% due to combination effect of trading, escalating raw material prices that we could not recover and extra provisions due to impact of COVID.

Since we needed to preserve cash, the board decided to withhold dividends for the previous two years. We appreciate your understanding. We will do everything possible to reward you for your patience and support by taking the right interventions to enhance the enterprise value of your Company.

According to tresearch that's available publicly on Stock Exchange websites, your Company has given investors the highest returns, whether calculated over 6 months, one year, 2 year, or 3 year period.

You might not have known that your Company is an unsung hero that has outperformed the majority of the companies within the lubes industry in the stock market. I want to take this opportunity to introduce you to the superstars who contributed to this spectacular performance on all KPIs. It's my fantastic team of 274, not one or two. They're now in their appropriate place on the cover of the yearly report on on your screens.

In India, 2.1 million, that is 21 Lac companies, are registered in this crowd. Your Company stands tall and is counted among the top 1000 companies as rated by the leading Fortune India magazine. We won several honours during the year to name two ‘Industry Outlook Award’ for being being in the top 10 industrial lubricant players, ‘Inside Success Blackswan Award’ for the effective Corporate steering during COVID times. Now we don't pursue accolades. However, for a young company like others, these accolades and distinctions provide encouragement that we are heading in the right direction and acting appropriately, a reassurance that the excellerate game plan is effective.

I'm not implying that we can overcome all the challenges that we talked about earlier. No way. But the lessons that our gritty team has learned over the past two years has strengthened our resilience and boosted our confidence. If he surmounted such hurdles, unforeseen in this century, there is no reason to

believe that we will slow our forward march. We may trip or perhaps fall, but I guarantee that will bounce back and keep marching ahead! I anticipate that the lube industry will eventually consolidate prior to the plateauing that may begin after a decade consolidation may happen in the short term, but plateauing may happen at the end of a decade just to answer some of the questions that may come. If that's playing on everyone's Mind, Men will definitely be separated from boys, and I'm confident that the "IPOL" brand, with its rich heritage will stein thought.

The journey is on. Well begun is half done, to quote Aristotle and now as you've seen we have made elephant dance! And dance it well for all time! Thank you all. Over to you Kanika.

**CS**

Thank you so much, Sir.

The registers, as required under the Companies Act, 2013 are available for inspection on the website of the Company. Members who have not voted earlier through remote e-voting can cast their vote in the course of the meeting through e-voting facility.

Since the notice is already circulated to the Members, I take the notice conveying the meeting as received and read.

There are no qualifications in the report of the Statutory & Secretarial Auditors. The Companies Act, 2013 & the SEBI LODR regulation provide for electronic voting. Accordingly, the Company has provided its members the facility to cast their votes through remote electronic voting system administered by NSDL. The facility for e-voting at the meeting is also provided to Members present here through Video Conferencing and who have not voted yet. The said facility is now open and Members may go to the voting page of NSDL's e-voting website and cast their vote. Since this AGM is being held through Video Conference and the resolutions mentioned in the notice convening this AGM have been already put to vote through e-voting there will be no proposing and seconding of the resolutions.

The e-voting facility will remain open for 15 minutes after this meeting for Members to cast their votes.

I will now call one by one those members who have registered to speak at this AGM. I will request the CEO of the Company to note & answer all the questions at the end.

Our first speaker is Mrs. Lekha Satish Shah.

**Mrs. Lekha:** Hello, can you hear me ma'am?

**CS:** Yeah, yeah, we can hear you.

**Mrs. Lekha Shah:** Thank you, ma'am.

Respected Chairman sir, Board of directors and my fellow members, good morning to all of you. Myself Lekha Shah from Mumbai.

First of all, I would like to welcome our new Company Secretary, Kanika ma'am on the board. I'm sure that she will add a lot of value to our company. Thank you Chairman Sir for explaining us about the Company.



Congratulation for excellent work Sir. Sir, I pray to god that he always showers his blessing upon you. Sir from my side No questions, Sir.

आपने इतना अच्छे तरीके से सब कुछ समजा लिया क्या पूछने का सर। और मेरा हमेशा भगवान से प्रार्थना है अपना कंपनी में कोई कुछ भी तकलीफ हो उसको भगवान दूर करे और सब कुछ अच्छा हो जाये मैडम। नेक्स्ट ईयर कनिका मैडम में आशा करती हु २-३ साल से अपना VC चालू है नेक्स्ट ईयर जरा फिजिकल मीटिंग रख दीजियेगा। अपना सब कुछ मिलके मीटिंग करेंगे और सबको मिलेंगे मैडम।

So I would like to say I strongly support all the resolutions for today's meeting and my best wishes always to the Company and its prosperity. Thank you, Sir.

**CS:** Thank you so much, Lekha madam. Our next speaker is Mr. Rajendra Prasad D Joshi. Can we have him?

**Moderator:** Mr. Rajendra Prasad is not joined yet. We can proceed further.

**CS:** OK, so our next speaker is Mr. Rajendra Sheth.

**Moderator:** Mr. Rajendra, you are in the panel. Please unmute yourself and ask your question.

**CS:** You can also start your video Sir. OK. (After waiting for sometime as he is not able to connect) I think we should go ahead, right? Rajendra Sheth.....? (Again recalled his name to check his availability) OK. We will go ahead.

**CS:** Our next speaker is Mr. Dinesh G Bhatia.

**Moderator:** Mr. Dinesh is also not joined yet.

**CS:** OK. Next speaker is Mr. Vinod Agarwal.

**Mr. Vinod:** Can you hear me?

**CS:** Yeah, we can hear you. We can hear you.

**Mr. Vinod :** Can you hear me? Can you hear me?

**CS:** Yeah, yeah, we can hear you sir.

**Mr. Vinod:** Yeah, Respected Mr. Ayush Goel Ji, Prashanth Achar Ji and our Company Secretary Kanika Sehgal Ji. I have received the annual report in physical form after sending a request to Kanika ji.

She was very kind in sending the link to join this meeting. I'm thankful to her. Sir 1 or 2 things that this is the 50th year, so we are only 8-10 speakers today. How can we celebrate the 50<sup>th</sup> year with attendee shareholders Sir. There are very few 8-10, normally even the buses have started, everywhere it is crowded, everything and everywhere the physical is going on.

We can have a physical get together or If you don't want to have a physical get together, there can always be some Diwali gift sent over for the 50<sup>th</sup> it cannot go in, when this is a kind of a year that do not come, it is a Golden Jubilee. They come only once in a lifetime, Sir, and Sir on 2 or 3, Sir in the past year we have made new connections with OEM new product oils for the rubber and tyre industry. This was very good day and thing you've done, Sir. Sir after the war in Ukraine sir the crude oil prices shot up a lot Sir and we are mostly into the oil crude oil as crude oil is our raw materials, Sir? How long does it take time for us to recover the RM cost increases from our OEM customers and our retail customers need to pass on the cost

increases into the retail market and OEM, Sir how long is the lifetime? I would like to know. I wish the company all the best as it has survived the worst of past 2 years. The past 2 years was so bad, so bad, and there was no one who was not affected even our company was affected sir but I'm sure with your hard work and this thing the company will come out of it in a better position in the future and you will be doing much better and you've shown in your inaugural speech and even in the video you shown, the presentation was very good, Sir, and I appreciate that the company will keep on doing well and your dedication is very good, Sir. Thank signing up, Vinod Agarwal from Mumbai. Thank you.

**CS:** Thank you so much, Mr. Vinod Agarwal Sir. Now I would like to request our next speaker, Mr. Parekh Chetna Anil.

**Moderator:** Mr. Parekh is not joined yet.

**CS:** OK. Next speaker is Mr. Mukesh M Chandiramani.

**Moderator:** Mr. Mukesh is also not joined yet.

**CS:** Next speaker is Mr. Bimal Kumar Agarwal.

**Moderator:** Mr. Bimal is not joined.

**CS:** Next speaker is Mr. Ravi Choudhary.

**Moderator:** Mr. Ravi is also not joined.

**CS:** Next is Mr. Ankur Chanda.

**Moderator:** Mr. Ankur is not joined.

**CS:** Next speaker is Mr. Satish Shah.

**Mr. Satish:** Hello. मेरी आवाज़ आ रही है ?

**CS:** यस सर आ रही है। क्या आप अपना वीडियो ऑन कर सकते हो sir? Please.

**Mr. Satish:** नहीं ओनली फॉर ऑडियो सर। Only audio.

**CS:** Ok. Ok. No Problem.

**Mr. Satish:** श्रीमान चेयरमैन साहेब और अन्य डायरेक्टर्स मेरा नाम सतीश शाह। आपने अपनी चेयरमैन स्पीच में कंपनी के बारे में ही अच्छी तरीके से समजा दिया। GP Petroleum has brilliant Professionals. सर बैलेंस शीट अपनी बैलेंस शीट colorful, attractive, informative, nice balance sheet sir. Balance sheet के लिए मैं कम्पनी सेक्रेटरी को बहुत बहुत धन्यवाद देता हु सर। और आज जो अपना 50 इयर्स जो है आपने जो और ये कंपनी के बारे में पूरा अच्छी तरह से समझाया तो ये आप सेलिब्रेट कैसा करेंगे ५० ईयर का सर कुछ मीठा हो जाये सर? Golden Jubilee year के। और आज आप लोगो ने जो भी resolution रखा है उसमे मेरा फुल्ली सपोर्ट है।

Thank You. Thank you very much. Thank you.

**CS:** Thank you so much Satish sir. Can we have next speaker Mr. Ganesh Laxman Shenoy.

**Mrs. Prakashini Shenoy:** Hello. Can you hear me?



**CS:** Yes yes ma'am. We can hear you.

**Mrs. Prakashini Shenoy:** I'm Ganesha Shenoy's wife - Prakashini Shenoy joint holder. Respected honorable Chairman, other dignitaries from the board and my fellow shareholders Good afternoon to all of you. I received the annual report well in time, which is colorful, informative, knowledgeable and contains all the information as for the corporate governance.

I thank Ms. Kanika Sehgal and her team for the same. I should not forget to thank you once again for reminding me of the meeting thank you Madam once again. And welcome to the company. I hope you bring brightness to the Company as my previous predecessor Mrs. Lekha Shah has told.

Madam now regarding the Company. The Chairman and Mr. Prashanth has given a fair picture and beautifully has explained the Company regarding all the parameters.

I wanted to ask many questions, which are mostly covered by this by both of them. So, I hardly have any question. My question is How our company is planning for the digital future and thankful to the board and I'm also thankful to the management for doing excellent work in all parameters. I wish the company good luck for a bright future and pray God for the profit of the Company which shall reach the peak in due course.

I support strongly and wholeheartedly all the resolutions put forth in today's meeting. Thank you, Madam.

**CS:** Thank you so much, Madam. Thank you so much.

That's all. So just wanted to address that we have few of the shareholders who have registered their queries through the mail. So now over to you Prashanth Sir.

**CEO:** Right. So dear speakers thanks for the questions and suggestions. It shows the trust and commitment you have in this business and that adds additional responsibility on us to deliver and exceed your expectations.

Taking the questions, including the ones received through email.

Will try to answer most of them since we have sufficient time, but if any question gets left over, we assure you that within the next 72 hours, the answer should be in your mailbox.

So, the first one I think is from Mrs. Lekha Satish Shah, so thanks for the appreciation, Ma'am. I will pass it on to my team, specifically to Kanika. In fact, Kanika's name appeared more number of times than anyone else, which proves that we have done the right job in hiring the right person, so thanks for all your support and on behalf of my team of 274, I accept wholeheartedly not only Mrs. Lekha Shah's compliments, but all others whoever talked good about us. I accept it wholeheartedly and would strive to retain your love for this business in the years to come.

We hope to give you enough reasons to praise us year after year to perpetuity as the elephant continues to dance. And yeah, Mrs. Lekha Shah more than the god's blessings what we seek is your patronising us. So please continue with that. Thank you very much.

So, moving on to Mr. Rajendra Prasad D Joshi's. He has asked 5 questions but through offline, so the first one let me read out for your benefit. I'll go question by question. How is company's trading business doing at present and what is its future prospects?

OK, so this calls for a slightly longish response. Bear with me.

So, for us, our primary business focus is lubricant finished products. However, trading in base oil is opportunistic. The risk is for real in a highly volatile market like the current scenario in trading.

So that's why we play very cautiously. Trading kept your Company healthy during lockdown. We can't forget that, so, trading that we do is not paper trading. The cargo is sold by us even before it is loaded on the vessel in the ports overseas to reduce the risk. We may not be earning big, but we manage the risk very efficiently. Idea is really to increase the parcel size by clubbing on manufacturing business and building trading volumes on top of it. With that, we can lower the input costs both through better negotiation for a bigger parcel and the freight savings that comes alongside. In short, it's easy to go by the analogy that lubricant is the cake, and I would say trading is the icing on the cake. So, there are pros and cons of trading as I explained some of them earlier, it builds the topline, but EBITDA margins would not look attractive. This will be evident to you if you do a straight-line comparison between us and our competitors, that's always the case. But if you ask me, we have not so much driven by percentages and ratios, but with money in the bank. For that, the trading business works very good on top of big manufacturing line.

So, the next question by him is what is the size of the market for Repsol lubricants in India and abroad?

Let me introduce Repsol to you, in addition to what you've seen in that video, Repsol-Spain is a multi energy Company that operates in over 100 countries, 24,000 employees are recruited by this Company, and in the 'Oil and Gas 50 list' it is ranked 16<sup>th</sup> globally. So globally, talking specifically about lubricants, they do about 80 million liters of business globally.

So as of today with Repsol, we are focusing on niche area that's automotive b2c - bazaar segment. There also we are focusing specifically on bike where Repsol is a big name because of the association with the MotoGP.

If you consider the premium where Repsol operates, the accessible market is about 75 million liters and we have close to 2% market share, a lot of work needs to be done going forward in that area.

Industrial opportunity is being explored with Repsol for midterm and EV space (electric vehicle space) maybe for the long term because Repsol is quite active in that area, but that's long term.

So moving on to the next question, what's your outlook on the lubricant business in the next 2 years?

I like this question, most of the people ask about the longevity of the Lube industry, Mr. Joshi is keen to understand the short-term perspective.

As the economist Keynes said - In the long run we are all dead, so why worry too much about the Long term, but talking about the short term and mid term. I'm not an expert in this area nor do we have a crystal ball, so I simply follow what experts say after using my own filters. If you look at 2 years horizon, the growth of the industry is likely to be around 4% in tonnage terms, in rupee term or dollar term it could be much higher because of escalations etc., but what matters is tonnage. that I expect it to be in the vicinity of 4%.

Moving on to next question from Mr. Joshi. What are the company's plans for expansion sector wise and also geography wise?

Ok we'll have to talk about vertical by vertical, first RPO - this will ride the growth given the booming tyre industry, we as pioneers and being the number one private players have supply position with most of the leading tyre manufacturers. We'll be surprised to know that one in 15 tyres produced in the country have our RPO in them.

So, we're unique with approvals from these tyre leaders. We are also well positioned with the REACH compliant formulas. What does that mean? REACH stands for Registration, Evaluation, Authorization and Restriction of chemicals. This in short is a safety standard that's used for Europe exports. In tyres that get exported we need to have this standard which our products passed that, so, and also this is environmental friendly, soon I am sure all this stringent norms will come into the country as well, so that's about Rubber process oil.

Second one talking about industrial - we have started the derisking process as I've spoken to you 2 years ago and today 10% of our business comes from non automobile industry, otherwise, earlier on everything was focused in that area. We'll keep building further newer areas while growing the existing business line. So "Sell More, Sell New and Sell Well" is my mantra for the team and that's working very well.

We will operate only in areas where we have the right to win. That's the second bit. So, distributorisation is the focus to cover uncovered geographies. This is the case with the industrial as well as automotive.

So, I have covered rubber process oils and industrial talking about automotive in 2 sentences.

Two brand play will continue, its working well, but this place is hotly contested and worst impacted during the last 3 years because of COVID's onslaught. We're revamping this business and a lot needs to be done. We are at best work in progress today. I don't claim that we have reached the destination, not at all. We're deploying brand building resources from next year onwards as we have not taken advantage of this unique 50 years heritage position. In this industry, where there are 200 players, very few can claim this advantage, which is a trump card up our sleeve and we will utilize that fully.

So, and this Repsol of course is working very well, our Partnership is renewed and Repsol is a craze in every motor racing enthusiast, and motor racing craze is picking up in the country in a big way.

The other one, exports - we supply to dozen countries, our intent is really to double this in 5 years.

Trading will be done selectively. I touched upon it earlier and it's a business enabler opportunistic and provides enough cost reduction possibility.

Simply put, our game plan, I call it 4 Ps. I'd like to simplify it. And I'm not touching about the inorganic area of acquisitions, etc. Restricting myself to organic play, it is about 4 Ps - Premiumization that's up selling products, which are superior in nature. Second P is Proliferation - we will cover uncovered areas, industries, geographies, customer base included. 3<sup>rd</sup> P is Procurement - will enhance our procurement efficiency and improve our cash cycle further. Last P is our Pre-empting the opportunities than being reactive in nature.

So, coming to the last question of Mr. Rajendra Prasad, what opportunities you see for the growth of company in current scenario?

In recessionary times, you and me will also tighten our purse strings, so brands with fair pricing are opted over premium ones. That's where we tend to benefit. The organization is lean, mean and efficient. That's a plus. The agility of the team and the passion are clear differentiators.

Everyone is empowered and act like entrepreneurs. Hence, our response time is by far one of the best in the industry. The game plan is in place, Culture is appropriate with all these ingredients, we are in the best place when it comes to the latest buzzword “Adaptability”.

So, we will invest in systems to improve our processes and efficiency. We will also actively build the brand. As I mentioned that little while ago, the Indian lube market will be one of the few large markets that is likely to grow in this decade.

For a relatively small company like ours the growth comes from nibbling at others business and we need not have to really keep harping about whether the industry is growing or is it a single digit growth or what is it.

Because for us, it's really being efficient in snatching away others meal. So, we are best suited for that, and which I'm confident as long as the external situation doesn't turn further hostile we would come unscathed.

So that was to cover Mr. Rajendra Prasad then we did not have the next 2 speakers. So, Mr. Vinod Agarwal had questions on What is there as a 50<sup>th</sup> year gift?

I think the best gift that we can give is to run this business efficiently, proper governance and proper growth for this Company which will be sustainable. As I said that the elephant will continue to dance, and with that the gift will be year after year and also let me clarify, we are setting foot into 50<sup>th</sup> year, so we will be completing it down the line, so we can guarantee that we will generate shareholders value and that's what we will drive towards.

So, he also had a question on raw material cost increase and its recovery. This is not only a lubricant industry phenomenon, but all across whether it is paints, automobiles etc. Name it, every industry is having this difficulty in terms of recovering the inflationary cost increases and let me clarify, most are not successful and most of the players in lubricant industry have been partly successful and we are also one among them, as you would have seen the numbers the profits are healthy because we have been able to recover most of the cost increases. I will not say that we have succeeded in toto, but the journey is on.

Now then we did not have the next 5 questionnaires. The last one is OK.

Mr. Satish Jayantilal Shah wants to celebrate with “कुछ मीठा हो जाये” yes, that is the slogan. I think we have given enough reasons for all the shareholders to celebrate and this will continue. I'm sure this in the days to come.

And there is another from Mr. Ganesh rather Mrs. Shenoy on of course she has thanked Kanika profusely and appreciation for the business. Thank you very much Ma'am.

Digital future - a very valid question.

Frankly speaking, yes, a lot needs to be done. We have just started the journey and this will take some time before we can say that we have reached. in these areas, I would not say that we are leaders, we will be very happy to follow the industry's path, we don't want to be the trend setters because our pocket size is limited and we need to distribute sweets as well (laughter).

So, coming back to this, we will do everything possible in terms of being the fastest follower let someone else establish the Market and then we will do the follow up action and we are well geared to do that.

There has been one question, one last question left rather 3 questions from one shareholder. This is Mrs. Vasudha Dakwe (Questions came on email). What is your next 2 years Capex plan, highlights on R&D expenditure, hope next year we will get dividend.

OK, I talked about the cash challenges we faced, we drew austerity and preserved cash wherever possible, so, except for safety, ESG investment and business critical spends, nothing else was supported. We were very, very frugal in our spends. That's how the results whatever that you have seen was possible and going forward this keeping the purse string tightened will continue.

I envisage to spend for the business has to grow, you have to spend including in capex. This spend is likely to be in the vicinity of 7 to 8 crores in the next 2 years put together for Capex. We'll be investing on safety, ESG initiatives, for example, installing the solar panels for our plant is in the final stages of discussion, replacing Furnace oil with gas for Thermo Pack are also on the cards, we'll also be spending on filling line, semi automation, as that could pose a bottleneck for our growth agenda.

R&D - now talking about R&D, it's a misnomer, when it comes to lubricant companies. The molecular development is assigned to additive and chemical companies long ago by every lubricant player. They are the experts; the additive suppliers, they are the experts and they should be interested with that work. We work closely with them, they're all of international repute and we're the formulators and blenders. We do quite a bit of r&d in industrial lubricants as it's our forte.

We have invested heavily in resourcing technology, you'll be surprised to note that one in 10 employees in the company is a technologist to give the best experience to our customers, the team is actually in formulating, reformulating, testing, trials at customer sites, developing formulations, formulation directory, reducing complexity, ensuring product integrity, so lot of work, better quality assurance, complaint redressal. So, all of these activities fall on the technologist's lab.

We spend over ₹2 crore a year on this area including resourcing the equipments and the trials etc.

On the Dividend front, it wasn't an easy decision for the board to withhold. Let me clarify that the board deliberated at length and came to the conclusion that it is in the best interest of company and shareholders to withhold this, this year as well as last year. Going forward as the. Elephant continues to dance, will keep doing everything possible in the interest of all stakeholders.

That brings me to the end....so back to you. Thank you very much. If there are any follow up questions, please feel free to shoot it to Kanika. We will be more than happy to address that. Back to you Kanika.

Thanks.

**CS:** Thank you so much, Sir.

Mr. Punit Shah from M/s. P.P Shah & Co., practicing company secretary, have been appointed as the Scrutinizer for this AGM. The voting results would be announced within 48 hours of the conclusion of this meeting and the same would be intimated to Stock Exchange and uploaded on the website of the Company and NSDL.

Now, I would like to take a moment to reiterate my heartfelt thanks to you all for attending this meeting. With Chairman Sir's permission and other Board Member's consent I would like to take your leave. And I request all Shareholders to be safe and healthy, thank you all.

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