



BOROSIL RENEWABLES LIMITED

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59TH ANNUAL GENERAL MEETING

DAY & DATE : THURSDAY, AUGUST 11, 2022

TIME : 11.00 A.M. (IST)

CORPORATE PARTICIPANTS:

Mr. P. K. Kheruka,
Chairman

Mr. Shreevar Kheruka,
Vice Chairman, Non-executive Director, and Chairman of Stakeholders
Relationship Committee

Mr. Ashok Jain,
Whole-time Director

Mr. Ramaswami V. Pillai,
Whole Time Director

Mr. Raj Kumar Jain,
Independent Director and Chairman of Audit Committee and Nomination and Remuneration
Committee

Mrs. Shalini Kamath,
Independent Director

Mr. Haigreve Khaitan,
Independent Director

Mr. Pradeep Bhide,
Independent Director

Mr. Asif Ibrahim,
Independent Director

Mr. Sunil Roongta,
Chief Financial Officer

Mr. Kishor Talreja,
Company Secretary and Compliance Officer

Mrs. Anshu Agarwal,
Group Head – Corporate Secretarial

Q&A PARTICIPANTS:

- 1. Naveen Bothra**
- 2. Prakashini G. Shenoy**
- 3. Lekha Shah**
- 4. Ramaswamy Vasudeva**
- 5. Vinod Agarwal**
- 6. Shailesh Mahadevia**
- 7. Krishna Agarwal on behalf of Yashvee Kothari**
- 8. Arvind Waikar**
- 9. Mahesh Bubna**
- 10. Satish Shah**

P. K. Kheruka

Good morning, our esteemed shareholders. It is 11:00 a.m. and time to start the meeting. I, P. K. Kheruka, Chairman of the Board of Directors welcome you all to the 59th Annual General Meeting of the Company with great pleasure. I hope that you and your family are safe and fine. In compliance with the provisions of the Companies Act, 2013, SEBI Listing Regulations, read with rules, circulars issued thereunder, this Annual General Meeting is being held through video conference, without the physical presence of the Shareholders at a common venue.

The company has taken all feasible steps to ensure that the shareholders are provided an opportunity to participate and vote on the items being considered at this Annual General Meeting. The requisite quorum is present, and therefore I call the meeting to order. Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangement in which Directors are interested, and the documents referred to in the AGM Notice are available for inspection electronically during the meeting.

I'm now pleased to introduce you to the Board of Directors of the Company. Mr. Shreevar Kheruka, Vice Chairman, Non-executive Director, and Chairman of Stakeholders Relationship Committee; Mr. Ashok Jain, Whole Time Director; Mr. Ramaswami V Pillai, Whole Time Director; Mr. Raj Kumar Jain, Independent Director and Chairman of Audit Committee and Nomination and Remuneration Committee; Mrs. Shalini Kamath, Independent Director; Mr. Haigreave Khaitan, Independent Director; Mr. Pradeep Bhide, Independent Director; Mr. Asif Ibrahim, Independent Director. Mr. Sunil Roongta, Chief Financial Officer; Mr. Kishor Talreja, Company Secretary and Compliance Officer, and the representatives of statutory auditors and secretarial auditors are present at the meeting.

Notice of the 59th Annual General Meeting, along with Annual Report for the financial year ended 31st March, 2022, was circulated to the Members electronically, in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. An addendum to the said notice was also circulated to the Members electronically, whereby the original item number 8 of the Notice was withdrawn. With your permission, I shall take the Notice as read. The Auditor's Report on the financial statements and the Secretarial Audit Report of the Company for the financial year ended 31st March, 2022, do not contain any qualification, reservation, adverse remark or disclaimer. Accordingly, the Reports are not required to be read out.

Now I will begin my formal address to the shareholders.

Good morning, ladies and gentlemen. Once again, a very warm welcome to you all to the 59th Annual General Meeting of your Company. Before I proceed any further, it is with the deepest sorrow that I inform you of the demise of a legend, a philanthropist and industrialist, Late. Bajrang Lal ji Kheruka, Chairman Emeritus of the Company. He laid the strong foundations on which the edifice of this Company has taken shape.

Your company achieved its highest ever revenue from operations of Rs. 644 crores and the highest ever EBITDA of Rs. 265 crores during the year thus registering a rise of 28% in its revenue and 31% in its EBITDA as compared to the previous year. Commodity prices, which started to soar globally towards the end of the last calendar year have impacted the working of the Company. All glass manufacturing units across the globe have been impacted by this. However, those which hold long-term contracts continue to sell at prices based on their lower input costs. Despite the lower price imports from such sellers, which dominates the market price, the Company is making efforts to meet this challenge by raising its selling prices and production.

On a positive note, domestic demand has risen substantially led by the rise in domestic manufacturing of solar modules on the back of levy of basic customs duty of 40% from 1st April, 2022. Most of the existing module manufacturers are expanding their capacities and new entrants are setting up plants inspired by the imposition of import duty and the PLI scheme announced with the intent to facilitate the achievement of the revised ambitious targets set by the government to reach 300 GW of solar power installation by 2030. The overseas market led by Europe, Turkey and USA is expected to lead very high growth in demand.

The Company's SG-3 project (3rd furnace of the Company) is slated to be commissioned by October, 2022 at its manufacturing facility in Bharuch, Gujarat. This will add production of 550 tonnes per day, taking the overall capacity to 1,000 tonnes per day. Considering the rapidly burgeoning demand, your Company has decided to raise the size of the forthcoming project SG-4 to a manufacturing facility with an output of 1,100 tonnes per day instead of a plant with 550 tonnes per day as previously envisaged.

To enable funding of the growth plans and other purposes of the Company, the Board of Directors, in their meeting held on 14th July, 2022, has passed an enabling resolution for fund raising by way of issue of securities of the Company up to INR 1,100 crores.

Overseas acquisition - the Company had been working towards completing all formalities involved in its acquisition agreement for the solar glass operations in Europe. However, the Company received a report of glass leakage from the German furnace on 31st July, in a recent incident. This episode raises certain important issues, which need to be first understood and then deliberated upon and accordingly, shareholders' approval for issue of fresh equity shares, equivalent to a value of € 22.5 million, which had been agreed to be issued by way of share swap for acquiring shares of Interfloat Corporation has been withdrawn for the time being.

Sustainability - We are committed to sustainability, and we are not only one of the world's most efficient manufacturers of solar glass, but we have also been able to achieve a carbon footprint that is 22% below the industry average. Further reduction of emissions is an ongoing project with us. The company has decided to invest in a 10 MW captive wind-plus-solar hybrid generation plant to generate renewable energy for self-consumption, which is expected to be commissioned by the last quarter of this calendar year. This will significantly lower our carbon footprint.

CSR contribution - We at Borosil Renewables are committed towards building robust institutions, which engage in promoting healthcare, water conservation, sanitation, horticulture - plantation of fruit trees. Your Company aims to prosper in a sustainable and inclusive manner, with equitable and mutual benefit for all mankind. To further this cause, the Company has undertaken to contribute Rs. 2.57 crores to CSR initiatives during the current financial year that is to say, FY22-23.

I express my deep gratitude to my colleagues on the Board for their unwavering confidence and guidance. I extend my appreciation to each and every employee and their management teams for their valuable contributions, which has steered the Company through difficult and challenging times. I'm proud of the way they have met these challenges with grace and fortitude. Lastly, I would like to thank our customers, suppliers, government authorities, bankers, and most importantly shareholders for all their support.

With these words, I now proceed with the business mentioned in the notice.

I now request Mr. Kishor Talreja, Company Secretary and Compliance Officer to apprise the shareholders regarding the e-voting facility.

Kishor Talreja

Dear shareholders, Good morning. In accordance with the Companies Act, 2013 and SEBI Listing Regulations, remote e-voting facility was provided to the shareholders to cast their votes from August 08, 2022 to August 10, 2022. The facility for voting electronically during this meeting is available for those shareholders who have not cast their vote through remote e-voting. Mr. Virendra G. Bhatt, Practicing Company Secretary, has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner and for giving a report on e-voting.

Since the resolutions mentioned in the Notice convening this meeting have already been put to vote through remote voting, there is no need to propose and second the resolutions. Thank you. I now request the Chairman to please continue with the proceedings.

P. K. Kheruka

Thank you. I will now read out all the items being considered at this AGM and as set out in the Notice read with the addendum thereto. The objective and implications of each resolution are as per Companies Act, 2013 and as provided in the explanatory statement of the Notice of AGM.

Item 1 - Adoption of the audited financial statements of the Company for the financial year ended 31st March, 2022, together with the report of the Board of Directors and report of the Statutory Auditors thereon.

Item 2 – Re-appointment of Mr. Ramaswami Velayudhan Pillai, who retires by rotation and being eligible, offers himself for re-appointment.

Item 3 – Re-appointment of Mr. Ashok Jain, who retires by rotation and being eligible, offers himself for re-appointment.

Item 4 - Ratification of remuneration of the cost auditors.

I'm interested in item numbers 5, 6 and 7 of the AGM Notice pertaining to my remuneration and re-appointment. Therefore, Mr. Raj Kumar Jain may please be considered as Chairman for the said items, and he be now requested to read the said items.

Raj Kumar Jain

Good morning and welcome to all the shareholders present at this meeting. The next resolution items as contained in the Notice of AGM are:

Resolution number 5 - Revision in terms of remuneration of P. K. Kheruka, Executive Chairman of the Company with effect from April 01, 2022, up to the end of this present term on March 31, 2023.

Resolution number 6 – Re-appointment of Mr. P. K. Kheruka as Whole Time Director designated as Executive Chairman of the Company for a period of 5 years, that is, April 01, 2023 to March 31, 2028.

Resolution number 7 - Payment of remuneration to Mr. P. K. Kheruka as Whole Time Director designated as Executive Chairman of the Company for a period of 5 years, that is, April 01, 2023 to March 31, 2028.

I now request Mr. P. K. Kheruka to re-occupy the Chair for the rest of the proceedings of the meeting. Thank you.

P. K. Kheruka

The last resolution item being considered at the meeting is for Resolution number 8 - Raising of funds by way of issue of securities up to Rs. 1,100 crores in one or more tranches.

The Company had provided the facility to the shareholders to register themselves as speakers who would like to express their views / ask questions during the AGM. 15 shareholders have registered themselves to speak at the meeting. Shareholders are requested to restrict their speech to 3 minutes for smooth conduct of the AGM. Replies will be given after listening to all the members who would like to express their views. I would now request Mr. Naveen Bothra to express his views and ask questions.

Naveen Bothra

I'm Naveen Bothra, pleasure attending the 59th AGM from Delhi. Very warm greetings to our Chairman, Pradeep Kheruka Sir; Vice Chairman, Shreevar Ji; Ashok Jain Sir; and the other esteemed board members and key management team present at this AGM. First of all, I would like to congratulate the management team on the best ever performance despite challenges. I also would like to congratulate the team on the various awards and recognitions during the year, and also being certified as Great Place to Work.

I would like to state that Chairman Sir's exemplary leadership and management team's agility and hard work, even in the face of unprecedented challenges of last 2.5 years has resulted in huge wealth creation for all the shareholders of Borosil Group after the listing of the demerger from Borosil Glass Works. We express our gratitude, Sir, and wish we at Borosil attain greater heights from here on also.

Sir, I have the following points your learned views. As regards Interfloat acquisition, you have said that it is just a pause, so I would not like to raise any further query regarding this one. We wish this is just a temporary pause, and we will go ahead with this abroad acquisition of Interfloat in Europe.

And the second point is, Sir, regarding the fund-raising. In the Annual Report we are discussing about the reduction in promoters' shareholding due to the preferential allotment to Interfloat. We would also be raising further Rs. 1,100 crores through various modes. So, in this regard we would like to have your views, Sir. Are promoters considering further reduction in their shareholding, or they will also be participating in the proposed fund raising of Rs. 1,100 crores? I would like to have your views, Sir.

And the third and final point is regarding the economic value added, EVA. What is our economic value added for the FY 21-22 after taking into account all the opportunity cost of capital? And just if you can share the data, it will be quite helpful, Sir.

To conclude, I would like to thank our Company Secretary, Mr. Kishor Talreja, he is always well coordinating for the meetings, as also sending the printed Annual Reports of the Company well in time. Thank you very much, Kishor Ji. All the very best to team at Borosil Renewables for growing towards a sustainable future. And, Sir, I have already voted in favor of all the resolutions and would also like to propose a vote of thanks to the Board. Thank you very much, Sir, for providing me the opportunity. Thank you, Sir. All the best.

P. K. Kheruka

Thank you, Mr. Bothra, for your kind words. I would now request Ms. Celestine Elizabeth Mascarenhas to express her views/ ask questions.

CDSL representative

She is not available.

P. K. Kheruka

She's not available. I now request Ms. Prakashini G. Shenoy to express her views / ask questions.

Prakashini G. Shenoy

I'm Prakashini Shenoy from Bombay. Respected Honourable Chairman, other dignitaries on the Board and my fellow shareholders, Good morning to all of you. I received the Annual Report well in time, which is self-explanatory. Sir, the Chairman has given a clear picture regarding the Company and its working. I have few questions. What is the roadmap for next 5 years? What is the CapEx program? And how is the Company dealing with the digital future? Do we come under the purview of GST, if yes, what is the rate? Are we planning to progress towards digital future?

Sir, it was very difficult for me to get the link. You have sent the link, but they were asking for the number. I was trying since 10 minutes. Sir, please look into the matter, I'm sorry to inform you. There was no phone from your secretarial department at all. In other companies we get phone from the team asking us whether we got the link and practicing the link. But absolutely nothing from your Company. Please see that we don't face such problem next meeting. This is a second meeting we are facing, Sir. Thank you, Sir.

I wish the Company good luck for a bright future and pray God that the profit of the Company shall reach the peak in due course. Sir, I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Sir.

P. K. Kheruka

Thank you very much, Ma'am, for your word. And we will make every effort to ensure that the login to the next meeting is going to be improvised.

P. K. Kheruka

Thank you. I now request Mr. Satish Shah to express his views and ask questions.

CDSL representative

He is not available.

P. K. Kheruka

Okay. I now request Mr. Ayush Gupta to express his views and ask questions.

Management Team

Mr. Ayush, unmute yourself if you're on mute.

P. K. Kheruka

Can you unmute yourself, Mr. Gupta?

CDSL representative

We send a request for unmuting, but he's not responding.

P. K. Kheruka

Okay. We move on to the next speaker. I now request Mr. Shailesh Mahadevia to express his views and ask questions please. Can you please unmute yourself, Mr. Shailesh Mahadevia?

CDSL representative

Not responding.

P. K. Kheruka

Okay. I now request Ms. Yashvee Kothari to express her views and ask questions please.

CDSL representative

Not available.

P. K. Kheruka

I now request Mr. Ramasamy Vasudeva to express his views and ask questions.

Ramaswamy Vasudeva

Good morning, Pradeep Sir, Shreevar Ji, other board members, my professional colleague, Mr. Kishor Talreja and other friends over there. Very Good morning to you all. I am Ramaswamy attending the AGM from Delhi virtually. If we are able to meet at least next year it will be wonderful, Sir. And I would like to congratulate the team for its excellent numbers despite all the odds, geopolitical and COVID pandemic in this country, congratulations to the team under your leadership, Sir.

I have got 1 or 2 points for your learned views. As per the news report appeared sometime in June, the government has kept on hold for at least a year with decision to allow import from foreign manufacturers including from China. What is the opportunity size we are looking for our Company in his background? And what is our strategy to capture the market and monetize it? My next question, Sir, we are having in the resolution number 8, it is enabling resolution we can understand. If you can throw some more light, like quality, what will be the size of issue, what are the securities proposed to be issued etc. in more details, it will be a sort of guiding point to all the small investors.

Again, Sir, we have achieved a carbon footprint up to 22% below the industry average. Well done, Sir. Appreciate it. Are we planning for getting any ESG ratings? We can get a good information about the social costs etc. in the Annual Report, if you present an integrated Annual Report. If it can be done, it will be very good, Sir. Mr. Kishor Talreja, though there was a hiccup initially I would like and thanks a lot for your help. All the very best, Sir. Thanks for the opportunity. I have voted in favor of all the resolutions. Thanks a lot.

P. K. Kheruka

Thank you very much, Sir, for your words. May I now request Ms. Sneha Mohnot to kindly express her views and ask questions?

CDSL representative

Not available.

P. K. Kheruka

I now request Mr. Mohan Ghanshyamdas Chandiramani to express his views and ask questions.

CDSL representative

Not available.

P. K. Kheruka

I now request Mrs. Lekha Shah to express her views and ask questions.

Management Team

Lekha Ma'am, can we request you to keep your video also on?

Lekha Shah

Yeah. Very Good morning, Sir. I faced lot of issue in logging for this meeting. I would like to ask a few questions regarding our preferential issue of equity shares, which category of shareholders could be allotted in the proposed issue? My second question is, on our global expansion plans, please highlight the proposed acquisition of Interfloat and GMB? My third

question is, what is the impact on our performance and profitability due to China and other countries selling solar glass at lower rate and pressure on sales? So, I would like to say I strongly support all the resolutions for today's meeting. And my best wishes, always for our Company and its prosperity. Thank you, Chairman Sir.

P. K. Kheruka

Thank you very much, Lekha Ji. And I apologise for the trouble you have faced. We will try to make sure that this does not happen in the future. Thank you. May I now request Mr. Vinod Agarwal to express his views and ask questions.

Vinod Agarwal

Respected Chairman, Mr. Pradeep Kheruka Ji, our Whole Time Director, Ashok Jain Ji, our CFO, Sunil Kumar Roongta, and CS, Kishor Talreja Ji. Sir, I've gone through your Annual Report. The operating revenue was Rs. 644 crores and against Rs. 502 crore, a growth of 28%. And when I see the EBITDA margins last year at about Rs. 480 crores, that's about 66%, exceptional, Sir. Very nice margin you got. And the PAT margin at Rs. 165 crore, that's about 25% of the revenue. There's very good margin there. I don't think so, there are very few companies with this kind of EBITDA margins and PAT margins in the country.

Only 2 or 3 queries, Sir. With 450 tonnes per day, you've done this revenue of Rs. 644 crores and by the year end you will be having a target of Rs. 1,300 crores, 450 crore is existing, 550 crore by the new furnace which will be coming on stream in October and 300 tonnes per day from Germany. So that will amount over 1300 tonnes per day by the year end. So, can we expect a turnover about Rs. 550 crore or Rs. 600 crore, Rs. 500 crore plus turnover per quarter from these capacities with the same margins and same EBITDA and profit margins? That I would like to know, Sir. This is, I mean, will the new plants and the new capacity be same, the margin sustainable? This is what I'd like to know.

Sir, the debt-to-equity ratio is still at 0.2 : 1 only, that is very good, Sir. Though the debt increased two-fold. Last year when I see the short-term and the long-term debt, they were Rs. 79 crores and this year they became Rs. 158 crore, but it is still manageable. Now, with this Rs. 165 crores of profit coming in, we can easily become debt free. By when have we target for becoming debt free? Because the demand for solar panels will be unsatiable, because we will have to keep on expanding because the target by the government of India is about 300 GW by 2030. That will keep on demanding new and new.

You will be exploring new and new territories also. This year you went to Germany, you may go to Latin America, you may go to Africa for certain production and that also will need CapEx. Can we expect dividend? By when can we expect dividends from the Company? You're in the growth phase, you're in the capacity expansion phase. I agree, Sir. By when can we expect the Company to come on the dividend list?

Sir, another thing, as the other shareholders mentioned, Sir. No one from Kishor Talreja's team has contacted us, the shareholder, to join this meeting. We have sent the request to be speakers at the AGM of this Company long back and we did receive the Annual Report, but no one from the Company contacted us to join the AGM. This is the normal practice with most of the companies. Sir, another thing, the telephone number given to contact at the Company is 67406300. This is not reachable. Look into this telephone number?

And the export revenue, that 26% good. Sir, are you also likely to have any tie-up with battery manufacturers, Sir? Because solar will work during day-time, at night-time there will be no energy produced. But there is also consumption of electricity at night. So can we even tie-up with certain battery manufacturers to store the extra power generated during day-time to be

used at night by individual home rooftop owners. This is my query to you. A lot of these queries would have been sent to the Company Secretary had they contacted us. But there was no contact from them. So, this is coming to you directly. I'm signing up Vinod Agarwal from Mumbai. Thank you.

P. K. Kheruka

Thank you, Agarwal Ji. I just learned that Mr. Shailesh Mahadevia, whose name I had taken earlier has come on the call. So, I would request Mr. Shailesh Mahadevia to please express his views and ask questions.

Management Team

Mr. Shailesh, may I request you to keep your video on please?

P. K. Kheruka

Can you switch on your video Mr. Mahadevia? Anyway, please speak Mr. Mahadevia. You may speak, we can hear you.

Shailesh Mahadevia

One-minute Sir, I believe you can hear me.

P. K. Kheruka

Yes, I can hear you, please speak.

Shailesh Mahadevia

Well, I will show myself.

P. K. Kheruka

Yes, Sir.

Shailesh Mahadevia

Now, I think it is better. Well, respected Chairman, distinguished directors, you have called the meeting on a very auspicious day. So, all the best wishes to you. But all my sisters are complaining. But anyway. Sir, firstly, let me congratulate you and the entire board for having excellent working during the year. You have given an excellent report, which is full of all the information that one would like to have. Sir, I also appreciate the carbon efficiency which you have achieved, 22% higher than the average of the industry.

Sir, I also appreciate the good CSR work, and in the Chairman's speech you have said you will be spending Rs. 2.57 crore. This is also to be appreciated. And I understand that your son is more keen on providing CSR activities. If I remember correctly at the last meeting, you have told us. Sir, then I would also like to appreciate the good financial result which you have achieved, and I respect your decision not to distribute dividend. Sir, before I proceed further, I would like to appreciate the services of your Secretarial Department. Today, I was trying 15 minutes before the time and your Secretarial Department was good enough to give me the feedback of the missing items. It is as a result of that, that I have been able to join. Of course, this process can possibly be simplified.

Sir, then I wish to put some questions with a view to appreciate the work done in a better way. And Sir before I proceed, I would also like to appreciate, in your Chairman's statement, you've stated our present capacity is 450 tonnes, it will be increased to 1,000 tonnes and further by 2023, 2100 tonnes. And in addition to that, our capacity will be in Germany, which at present is 300 tonnes and it will be increased to 500. I hope this transaction goes through well, and all the problems which have cropped up are solved successfully.

Sir, then I would like to also appreciate that we are the world's first antimony free glass. Sir, therefore, now, I wish to ask my questions. Sir, my question number one is that, we have applied under PLI scheme, which is going to be for Rs. 24,000 crore. Sir, may I know, whether we have made an application and whether we have got the sanction or not? If not, when are we likely to get the sanction?

Sir, my second question is that, there are problems of imports from China, Malaysia and Vietnam, the details about which you have given in the report. Sir, what I would like to know is whether China-plus-two policy which has been adapted not only in India, but from all over the world. Whether such an attitude on behalf of investment communities is likely to benefit our Company in the times to come. Sir, my third question is that you have balance QIP of Rs. 55 crore, which you have kept in mutual fund for the time being. Sir, when are you likely to spend this amount and for what purpose it will be spent? Sir, my next question is that solar renewable power is being installed by many companies. Sir, what I would like to know is that how much actual power will be available. Suppose if I install 100 MW of solar power, how much will be the actual production in terms of units, I understand that it is much lower than what we may get in a thermal power plant, and it will be perhaps a little better than wind power. But may I know what will be the possibility of getting electricity in terms of units. Sir, in one of the meetings only 3 days ago, Hindustan Zinc has said that from solar, power efficiency will be around 20%. Sir, I would like to know your opinion on this particular subject? And, Sir, I also would like to appreciate that you please, because this is a very unusual certification about which we have not heard in recent times.

Sir, then you were facing problems of soda ash, natural gas and petrol. However, Sir, the future of petroleum products or crude oil is likely to simplify compared with \$ 130, it is now likely to remain around \$ 90. Sir, will we solve our problem on the cost side? Sir, with this, I wish your organization every success in all your valuable efforts being made by you, the Board of Directors and your management team. Sir, thank you very much.

P. K. Kheruka

Thank you very much, Mr. Mahadevia for your kind words and your valuable suggestions. I now move to request Mr. Ayush Gupta whose name was called out earlier. I just learned that he is back, and he would request a chance to speak. So please go-ahead Mr. Ayush Gupta.

Management Team

Host, please unmute Ayush Ji.

CDSL representative

Sir, we already sent the request.

P. K. Kheruka

Then, I think we'll move to Ms. Yashvee Kothari, whose name had been called out earlier, and she did not respond.

Krishna Agarwal

Hello.

P. K. Kheruka

Hello.

Krishna Agarwal

Yeah, this is Krishna Agarwal on behalf of Yashvee Kothari.

P. K. Kheruka

Yes, please.

Krishna Agarwal

Sir, so I will just get to my questions. We are hearing some articles that grid level solar projects are somewhat kind of not viable on the current solar prices, because the government power prices are not up to the mark, and IRR are reducing. So, what's your view on that? And going forward how do you think the project viability would be? And like on the cost side, we understand that the issues were global, and the commodity prices were increasing. So, what's your view going forward? How would the pressure be on the margins? That's it. And thank you for giving me the chance.

P. K. Kheruka

Thank you very much, Sir. I now move on to the next speaker, Mr. Arvind Waikar. Could you please express your views and ask questions?

Arvind Waikar

Okay, first of all, I must thank you. Sir, my name is Arvind Waikar, calling to you from Ahmedabad. I thank the Company Secretary for giving me a last chance. Actually, I did it after the due date. But still he has accommodated me, but I must thank him for that. Before I start, I just wanted to tell you that the general complaints already my sisters and the other shareholders have made it. Yes, actually, there has been quite a lot problem in getting the link. When we wanted to open the link, it was asking for the meeting pass code.

Second thing, if you see that, I find that Zoom webinars are not conducted by most of the big companies. They use Webex or through NSDL site. This is particularly like, and you can see that the speakers are not there, speakers are not visible. So, I want, actually as a professional company, we should think seriously on that. So that we also feel that we are part of the company, and we are in a position to see you and you're also in a position to see us. Okay, video is very important from that point of view. In virtual meeting at least we feel that, yes, we're virtually present there. So kindly make it a point to have this thing happened in the next meeting.

Now, I have 2 questions. Basically, in 2 questions, 1 is on the production, and another is on the acquisition. On production, I wanted to ask you, what is the current manufacturing capacity? You can explain either in TPD or equivalent gigawatt with the number of furnaces, that is how many numbers of furnaces are there, what is the current capacity? As of today, you can tell me that. Second thing, recently added production expansion capacity, when it was added, the date of completion, and how much is the capacity and number of furnaces added? So, this is the second point in that. Third, what is your next expansion plan? That means, how many furnaces you're going to add, when, capacity of furnace and approximate investment?

The fourth is that, in the Chairman speech, you've written that the 550 TPD by Q3 current year. What is the status on that? That means you were planning to, in Chairman's speech it was given that you will be adding 550 TPD capacity by Q3. Has it been done, or it is likely to happen by what date? My second question is on acquisition, what is current status on acquisition of the target entities, that is your GMB and Interfloat. Glass leakage incident of furnace, you have reported to us very much in time and I understand you've not taken any decision on that agreement. So what is the current status, estimated time? Are you still thinking of going with them or you have withdrawn totally from that acquisition? Agreement to acquire the target entities concluded or what is your acquisition plan for that? And the third thing is capacity of the target entities and the future expansion plan. With this, I would like to again thank you all you, Sir. And I can tell you one thing, I'm a man from solar industry for last decade or so. I can tell you that the solar, you are having a moat. That means, first and foremost thing, you do not have any competition if you ask me. You are a whole and sole in India, who are supplying the solar panel glass for the solar panel manufacturer. The demand is phenomenal. Government is also giving you the performance linked incentive plus also putting anti-dumping duty etc. So, I foresee a good future for us. I am an investor in your company, and I would like to remain with you, and I want you to grow very fast, so that we also get a good share price of Borosil universe. Thank you, Sir.

P. K. Kheruka

Thank you, Mr. Waikar. Now, I believe Mr. Ayush Gupta has come back third time. We're going to give him a try again. I hope you succeed this time Mr. Ayush Gupta. Will you speak Mr. Gupta?

Management Team

Mr. Ayush Gupta. Are you there? Mr. Ayush?

P. K. Kheruka

I think, we move on to Mr. Dinesh Kotecha please. Let us move on to Mr. Dinesh Kotecha.

CDSL representative

Not available.

P. K. Kheruka

Okay. I now request Mr. Mahesh Bubna to express his views and ask questions.

Mahesh Bubna

First of all, I congratulate to the Chairman, Mr. Pradeep Kumar Kheruka, as well as other Directors, CFO, Company Secretary, all other dignitaries who are assisting to this AGM as well as my colleague shareholders who are joining this 59th AGM of this Company. Sir, with the effort of the Founder, Mr. Pradeep Kumar Kheruka, this Borosil is a well-renowned company brand name. Since my childhood, I know Borosil is a very good brand name in India as well as also in abroad. So, it is a very good identity for the glass industry in the market.

Sir, I would like to appreciate Mr. Ramaswami V. Pillai also, that since the meeting is started, I see his video that still he's travelling during his busy life with company's business, he is joining the AGM through his moving car. So, I am very much appreciating that all the Directors are taking so much effort to produce a better result for the common object of all the shareholders. Sir, it is very nice that this Company is doing very well. And I get this Company's share by the

demerger from Borosil Limited to this also. Mr. Haigreve Khaitan is also my relative. I'm also Jamai Babu of Khaitan and Company, and I am also I am not a degree holder, but I'm in legal practice for last more than 45-50 years in a company law matter up to a High Court level. If you see my case laws is also printing in the Companies Act. Earlier it was Section 17 and now in 2013 Act, it is Section 11, I think so. I get the chance. I am the resident of the city of joy, but I am speaking from the electronic city of India. For the last 2.5 years, I am stuck in Bengaluru when I came for my treatment. Now still I am here. With my ill health I was not able to take the COVID injection. So, it is very difficult to go again also to my residence in Calcutta. Now I setup one residence in Bengaluru.

Sir, with grace of God and all elders I am survived with COVID. In the month of February and March, I very much suffered with COVID, I was not able to breathe. I'm having a lot of problem in my body. So, heavy body for like 35-40 years. So, with all your blessings and today is also very auspicious occasion and as Mr. Mahadevia told, he's one of our colleague shareholders from Bombay, he was so, nicely also explained. Lot of shareholders explained a lot of things.

And I see that in the Notice part that a lot of effort are going on to enhance our capacity and our turnover and our time to make the company profitable, with a lot of resolutions you are bringing/brought to infuse the money through the new capital, may be GDR issue or some other way. I am seeing that it is good for the health of the Company, and you will be able to invest in our CapEx and other modernization of old plants and new plant is coming.

P. K. Kheruka

Thank you so much for your kind words.

Mahesh Bubna

Just two minutes. Sir, I see that profit is also doubled in comparison to last year, which you had given in the Board of Director's report. Sir, your Promoter holding is also 62% which is very good that any profitability come, any dividend will be declared, the Promoter will be much interested. So, public is also 26% as per the new ministry guideline, that minimum 25%. It is a very good combination of the category of shareholding pattern, and he is the promoter, he established this company. So, he always thinks that our shareholders should be satisfied and that they will be paid properly by the dividend and bonus issue.

One thing I want to say that this unpaid dividend should be reached properly to the investor because this is the hard earned money, blood money of the investor after paying the ex-checker they invested in the company with the expectation that they will get the reward. May be some people die and some having the legal problem, some people are not aware and could been able to get their shares dematerialized. So, this new guideline is in not favorable to the investors. Their money will go to the Investor Education Protection. And lot of, I know that a lot of professionals they created the NGO and taking money from the Investor Education Protection Fund. So, they are enjoying in the five-star hotels. This is not good for the investors. This new guideline, this new Act is not favorable to the Shareholders. So, I will appeal to all these industries to appeal to the Ministry of Corporate Affairs to cancel this new Act. It is not favorable. One thing is that our earnings per share, basic and diluted has also enhanced this year.

P. K. Kheruka

Mr. Bhuvna, I'm so sorry to interrupt you. You see, we have other speakers also and we had requested to restrict the speech to 3 minutes.

Mahesh Bubna

Only one point. Sir, our borrowing also enhanced from Rs 5,997-13,963 lakhs. And again, we are going to issue some GDR issue and others. So, this finance cost I've seen that it will control from last year Rs 796 lakhs to 280 lakhs. Now, this borrowing increased the again this finance cost will be increased. So, we will have to take care that our profitability should not be hampered, so that we would be able to pay dividend next year or onwards to our investor. I support to the management.

P. K. Kheruka

Thank you for your time.

Mahesh Bubna

Okay, thank you.

P. K. Kheruka

Thank you, Sir. I now request Mr. Satish Shah to express his views and ask questions.

Management Team

Host, please unmute.

Satish Shah

Hello

P. K. Kheruka

Yes please, we can hear you Mr. Shah.

Satish Shah

Wish you all the best. Thank you.

P. K. Kheruka

Thank you so much. I will now request Mr. Ashok Jain, Director, to give a response to the various questions which have been asked by different shareholders.

Ashok Jain

Thank you, Sir. So, we have received a lot of questions in this meeting. I will go one by one. First is regarding the update on Interfloat transaction. So, this we already reported to the shareholders after the board meeting on 5th of August and also by way of notes to the quarterly accounts. The update is that the furnace damage is still being evaluated. And once the final report is ready, and the action plan is ready as to how to proceed with it, then we will take a step. In the meantime, there are discussions going on with the insurance company and the technology or the furnace supplier as to what are the options, and which will be the best option for the Company. So accordingly, the decision will be taken and also, we will assess the impact of the same on the transaction and profitability going forward. Accordingly, discussion with the current sellers will be taking place to re-negotiate or tweak the transaction in the most suitable way so that the Company can continue to function in a right way. The transition is alive, and we will come back to you very soon after making a confirmed progress.

Yes, there is a plan to issue shares on a preferential basis to the current owners of Interfloat as a part consideration of sale proceeds of € 22.5 million worth of shares.

Pradeep Bhide

All conversation from your conference is mute. I can't hear anything.

Ashok Jain

One minute, Sir. Can others confirm that they are able to hear?

P. K. Kheruka

Sunil, can you hear?

Sunil Roongta

Yes Sir.

P. K. Kheruka

Mr. Bhide, can you hear us?

Ramaswami V Pillai

I think he has some issue on his side.

Ashok Jain

I'd like to continue to respond to the shareholders' queries. So, in regard to the dilution of Promoters' holding, see the Company is in a growth phase, and for the growth we have to raise capital. Now, we have to choose the debt equity ratio comfortable for the Company. So, we are following a very safe approach in this process and most part of our funding is actually happening by way of equity or internal accruals.

So, there is going to be a dilution in the Promoters shareholding, and we are conscious of the fact that it cannot go to levels where we lose the control of the Company. So, we are reconciled to bring down the holding to about 55% levels, but we are sure rather firm that it will not go down below 51% in any case. As management and as a promoter of the Company, we are fully committed to the solar glass business and the activities of the Company, and we remain fully committed for the future funding.

In terms of the economic value-added, I am happy to inform that the economic value-addition has been higher in this FY 21-22. It's close to Rs. 99.15 crores. This EVA in last financial year was about Rs. 80 crores. So, this is after taking into account the cost of capital and various taxation and other things. In terms of the GST question, yes, GST is applicable to us. We are taxed at 18%. In terms of some reference that was made to import not being allowed. So, this is basically what we know is that there is ALMM scheme, Approved List of Models and Manufacturers, under this scheme, the module manufacturers have to get registered with MNRE, and until they are registered for certain type of projects happening in India, they cannot supply the glass or they cannot supply the modules to projects in India. And this particular scheme has currently certified only the Indian manufacturers, thereby foreign manufacturers are restricted for exporting to India. In fact, it is helping the local production of components like us to have better demand or larger demand because the manufacturing activity goes up. So, indirectly it is benefiting the Company.

In terms of the nature of security proposed to be issued for Rs. 1,100 crores fund raising, the resolution actually is omnibus and it covers all the types of security. We will take appropriate steps depending on what is possible to be done in the best interest of the Company. These are all generally speaking equity linked securities, and this would come by way of one or many modes as we go along. In terms of ESG ratings, we are getting ready for ESG rating to be done in due course.

There was a question on Integrated Annual Report. Our secretarial department will look at that and take the necessary steps. In terms of the impact due to China selling at low rate, yes, we have to understand that Borosil is the only producer of solar glass in India, and it cannot fulfil the entire requirement of solar glass in the country. So, imports are necessity as of now. Yes, after the local production is raised by Borosil and other manufacturers who are planning to set up their plants, the share of imports will go down. But yes it is quite high in the current quarter, it is almost 75% imports.

So, when the imports are available at a certain price, the benchmarking of our pricing also is related to that and that's the reason the prices move downwards or upwards. But, yes, we have got the measures into force like anti-dumping duty or countervailing duty whenever we are severely affected by imports. So, as you know, against China we have anti-dumping duty and against Malaysia we have countervailing duty. Vietnam exports have started in last 2 years' time, and we should take necessary steps in due course to get appropriate duties as per the procedure.

In terms of the EBITDA margins, I think there was some misunderstanding at the end of one of the shareholders. Our EBITDA margin was about 40% and not what he understood. In terms of the tonnages, yes, we are operating at 450 tonnes per day fully. This is by way of two furnaces. Other third furnace is getting added which will be commissioned by October. So that will take us to 1,000 tonnes per day. And the GMB furnace of course is 300 tonnes per day. The turnover broadly will be in the same ratio of what we are having today. So, whether we can get Rs. 500 crore per quarter or not, it is possible to get maybe after all the things are implemented.

And regarding margins, we already reported that the margin in the Q4 of last year and Q1 of this year has been lower than average last year. So, this is because of input costs rise, whereas the selling price has not risen to that extent. So, we have to work towards getting a better margin. The team is already on the job. On a debt equity, I already said that we are conservative, and we try to minimize the effect of the debt on the balance sheet, but we cannot be debt free as you all know in terms of growth plans, because all the growth cannot be funded by internal accruals or security. So, certain debt is a must and I believe it is good for the company. So that it is kept on toes.

In respect of dividend, the concern is well understood, but in the growth phase it is wiser for the Company to retain the funds for growth and whenever it is thought appropriate at the board level, we will definitely consider a dividend. Regarding battery manufacturers tie-up, we are only supplying glass for the module manufacturers, and we are not directly in touch with any battery manufacturers. So, our customers are only module manufacturers. There was a comment that PLI scheme is applicable to us, and we apply for it or like that, but unfortunately the scheme does not apply to component manufacturers like solar glass. It applies to module, solar cells, polysilicon and ingots and wafers. So, solar glass, EVA and back sheet are not a part of it. So, there is no obligation, but we have been pressing this with the government all the time. However, the response is not very encouraging. In terms of the China-plus-two strategy or China-plus-one strategy, yes, the Company has benefited to the extent that all the customers in whether in India or in our other markets in Europe, USA or even Turkey, they prefer to get supplies from India as against China and they are looking at India as a potential source to

supply glass which is why we are increasing capacities because exports are also having good demand.

With regard to the QIP balance of Rs. 55 crores, this was a position as of 31st March, 2022. But on 30th June, 2022, the entire funds have been utilized for the purpose for which they were raised, which is to construct our third furnace, SG-3, so which is under completion and the entire QIP funds have been utilized. In terms of the power output it is 20% or thereabout. This has come up to 20%, it used to be 12% or 13% in last 6-7 years' time. So, there are a lot of technical, technological advancements happening in terms of the solar cell technologies. The new type of modules are getting used, like bifacial modules or larger modules. So, efficiencies are going up. They are on the course of rising to 25%. But, yes, you can get only that much power. Whatever the efficiency they were from the furnace solar modules, and it is much better than wind actually and also in terms of the operating cost it is much lower compared to any other fossil fuel like thermal and all.

In terms of the oil prices, there was a reference to reduction in the oil prices. The downfall in all oil prices is certainly a welcome thing for the Company and industry. This will certainly help also in terms of the reduction in gas prices, because a lot of gas contracts are linked to the oil prices. So, this will be positive once it happens. In terms of the viability of the project, there was a question that at current prices, since the costs are rising for components, for modules, and the power prices remain the same, the projects are not viable, but we have seen a change recently that the bidding prices have moved quite a bit from about Rs. 2.42 it has come to almost Rs. 2.80 which is also recognized in the fact that the cost of inputs like solar module or solar cell or solar glass cannot be optimized further and developers have also started to recognize this and quote higher prices. So, I believe that there was some resistance in DISCOM and other power consumers to buy at a high price, but now that seems to be going away.

In terms of our own margins, yes, input costs are rising, and margins have declined. But these are international global prices, and we have a very limited role to play. At our end whatever is possible in terms of improving the production, the efficiencies or reducing the cost of production coming with some innovation, all those things the Company and the team is all the time working. Yeah, in terms of the capacity of GMB, there was a question that, what are the future expansion plans? So, this has already been detailed, that the current furnace of 300 tonnes is there, but we will go for 500 tonnes as we go long. Exact timing will be decided based on the plan which we can formulate with the GMB team.

So, in terms of the borrowings, there was a comment that we have significant borrowing, and this is affecting our ability to generate dividend, but it is not right. Our debt equity is only 0.20 versus 1. So, we are very low geared company in that sense and as I mentioned we are conscious of the borrowing, to restrict our borrowing. So, we are keeping it under control and finance cost is very minimum in the Company. So, let me assure you that it will not be a factor for you to get dividends.

And there was a last question regarding last dividend when it was given and how soon we can expect a dividend. So, this question is already replied. The last dividend given by Borosil Glass was in 2019. And as I said earlier, the dividend will be considered by the Board of Directors at an appropriate time. So, with that, I think I've covered all the questions. Thank you all for listening carefully.

P. K. Kheruka

I once again thank our shareholders' for attending this 59th Annual General Meeting. The business of the meeting is now over, save and except for voting. The meeting is being kept open for the next 15 minutes to enable shareholders who are yet to vote to enable them to vote

during the next 15 minutes, after which this meeting will stand concluded. But in the meantime, the participants those who are no longer needed to vote may exit the meeting.

CDSL representative

Sorry to interrupt, Sir. So, on behalf of CDSL, I sincerely apologize for the inconvenience caused to the shareholders while login, there was some technical glitch at our side. So, for which I'm extremely sorry for that, which was later on rectified. So once again, I'm very sorry for the inconvenience caused to the shareholders. Thank you, Sir.

Note: This document has been edited to improve readability