

BOROSIL LIMITED

TRANSCRIPT OF THE 12TH ANNUAL GENERAL MEETING OF BOROSIL LIMITED HELD AT 3.00 P.M. IST ON WEDNESDAY, JULY 13, 2022 THROUGH VIDEO CONFERENCE

P.K. Kheruka:

Good Afternoon our esteemed shareholders. It is 3.00 p.m. and time to start the meeting. I, Chairman of the Board of Directors welcome you all to the 12th 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 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 in the Annual General Meeting and vote. 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 am now pleased to introduce you to the Board of Directors of the Company. Mr. Shreevar Kheruka, Vice Chairman, Managing Director & CEO, Mr. Rajesh Kumar Chaudhary, Whole Time Director, Ms. Anupa Sahney, Independent Director and Chairperson of Audit Committee and Nomination and Remuneration Committee, Mr. Kewal Kundanlal Handa, Independent Director, Mr. Kanwar Bir Singh Anand, Independent Director. Mr. Naveen Kumar Kshatriya, Independent Director and Chairman of Stakeholders and Relationship Committee has expressed his inability to attend this meeting and has authorised Mr. Shreevar Kheruka, member of Stakeholders and Relationship Committee to respond to shareholders queries. Mr. Anand Sultania, Chief Financial Officer, Ms. Anshu Agarwal, Company Secretary and Compliance Officer and the representatives of our Statutory Auditors and Secretarial Auditors are present at this meeting.

Notice of the 12th Annual General Meeting together with the Statement annexed thereto pursuant to Section 102 of the Companies Act, 2013, and the Annual Report comprising Company's standalone and consolidated financial statements for the financial year ended March 31, 2022, along with the Board's Report, Corporate Governance Report, Business Responsibility Report and Management's Discussion and Analysis Report for the financial year ended March 31, 2022, were circulated to the Members electronically, in accordance with the circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India. With your permission, I shall take the same as read. The Auditors' Reports on the standalone and consolidated financial statements and the Secretarial Audit Report of the Company for the financial year ended March 31, 2022, do not contain any

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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. Once again, a very warm welcome to all. I miss the warmth of face-to-face interaction with you. The COVID-19 pandemic has been a tragedy for all mankind, for it has caused disruptions across all walks of life. For much of 2021, there was a sense of cautious optimism that we finally might have put the worst of the COVID-19 pandemic behind us. As restrictions in India began to ease, economic activity picked up strongly. But towards the end of the year, our resilience was put to test as the spread of the Omicron variant reminded us of the unpredictable nature of the pandemic. Your Company, however, continued to operate its plants and sites in accordance with the advisories issued from time to time.

In addition to Covid, we faced other challenges including a large fire that gutted our central warehouse in Bharuch and waterlogging at our warehouse in Bhiwandi. These challenges notwithstanding, resilience in our operations backed by an unwavering faith in our ability to grow helped in delivering a robust performance. Consolidating technology and innovation through diversification of the products offered, has been our mantra to continue as a growing entity and serving humanity in the best possible way.

It is with utmost pleasure that I share with you that the Company has achieved a stellar performance during the year under review. Your Company achieved a revenue from operations of Rs. 750.41 crores in FY22 as against Rs. 527.23 crores in FY21. The Company's Operational Profit Before Tax grew to Rs. 109.13 crores in FY22 as compared to Rs. 50.96 crores in FY21. The Company earned Other Income of Rs. 23.69 crores during FY22 as compared to Rs. 16.38 crores in FY21 (mainly from investments). The Profit before Tax was Rs. 111.67 crores in FY22 as compared to Rs. 60.34 crores in FY21. Profit after Tax (PAT) during FY22 was Rs. 77.48 crore as against Rs. 40.77 crore in the previous year. Both the Consumer and the Scientific products business have delivered broad based growth. We have invested behind our brands and in technology to significantly strengthen our go-to-market channels – both offline and online. We remain innovative and maintain a healthy pipeline of new product introductions. Given the market opportunity and in order to have a more reliable value chain, your Company is undertaking a brownfield capacity expansion for its opalware products and setting up a new borosilicate pressware facility.

Over the years, our Subsidiary companies have contributed immensely by adding new avenues of growth. Klass Pack Ltd, a subsidiary of our Company, manufactures Primary Glass packaging materials for the pharmaceutical sector. KlassPack has been a reliable supplier for vials and ampoules for many of the leading pharma companies in the country. In the fight against Covid-19, Klass Pack supported pharmaceutical customers with their requirements for packaging of vaccines and drugs. KlassPack achieved a Revenue from Operations of Rs. 106.20 crores in FY22 as compared to Rs. 65.19 crores in FY21. The Company's Profit after Tax was Rs.8.57 crores as against Rs. 1.23 crores in FY21.

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Borosil Technologies Limited (BTL), a 100% subsidiary of our Company, is engaged in the business of design and manufacturing of scientific laboratory instruments. BTL application lab works on future lab technologies. BTL products like Vaccine stirrers, Protein Estimation Systems, Precision circulatory bath, Hot Plate Magnetic stirrers have been well accepted by the scientists and are seeing strong growth. The company is scaling up its production facilities. After design stabilization and certification BTL products will soon be offered to export markets.

Given your Company's diversified business, it has become imperative for the Company to reorient and reorganize itself in a manner which allows imparting greater focus on each of its businesses. The Company is in the process of demerging its scientific and industrial products business into KlassPack Ltd. through a Scheme of Arrangement. Pursuant to the Scheme, Borosil Technologies Limited will also merge with KlassPack thereby consolidating entirely, the scientific and industrial products businesses of the Company into KlassPack. Once the Scheme is approved by the NCLT, KlassPack will become a separate listed entity and the shareholders of the Company will be issued 3 shares in KlassPack for every 4 shares held in the Company. The proposed demerger and arrangement, will allow for value unlocking of the scientific and industrial products business of the Company by creating a simplified structure of two independent listed companies with distinct set of growth opportunities.

I would like to thank all our employees very much for demonstrating remarkable commitment, enabling us to navigate these challenging times together, from the global pandemic to geopolitical uncertainty. At Borosil, we encourage development and capability enhancement for all our members. To this end, we endeavor to promote substantial reskilling and upskilling within our workforce, to strengthen our internal capabilities for an inclusive and sustainable expansion. The Company also prioritizes the health and well-being of employees by allowing for a hybrid-working model, giving employees a choice to work from home on certain days of the week. This has helped in achieving a healthy-work life balance while also improving productivity.

For your Company, the bond between community and business is symbiotic and mutually advantageous. We are driven to further strengthen this relationship through responsible management and our commitment to sustainability. Through Corporate Social Responsibility (CSR) initiatives, we strive to create a positive impact on the environment, stakeholders, members, employees and all members of our society. In FY22, the Company has contributed Rs. 1.06 crore towards four projects, namely – (1) Inspire Institute of Sports – A cutting edge environment which was founded to breed sporting champions in India; (2) Influencer Project – A Women Empowerment initiative by EdelGive Foundation; (3) Seva Yagna Samiti – An NGO serving the poor and needy through self- efforts; and (4) Indian Cancer Society – NGO that works towards awareness, detection, cure and survivorship of victims of the disease.

I am optimistic about the opportunities that lie ahead and our Company's ability to deliver sustainable profitable growth. I have to express deep gratitude for my colleagues on the Board for guidance and insights. I would like to appreciate our employees and their management teams for contributing immensely. I am very proud of their achievements. Last but not least, I

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would like to thank our customers, trade partners, suppliers, dealers, distributors, bankers and shareholders for their invaluable support.

I now request Ms. Anshu Agarwal, Company Secretary and Compliance Officer, to apprise the shareholders regarding e-voting facility.

Anshu Agarwal:

Dear shareholders, Good afternoon! 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 July 10, 2022 to July 12, 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. Dhrumil M. Shah, 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 e-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:

I now move the resolutions for all the 7 items contained in the notice. The objective & implications of each resolution are already provided in the explanatory statement of the notice of AGM.

1. Adoption of (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2022, the reports of the Board of Directors and Statutory Auditor (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2022 and report of Statutory Auditor thereon (by way of ordinary resolutions).
2. Re-appointment of Mr. Rajesh Kumar Chaudhary, who retires by rotation and being eligible, offers himself for re-appointment (by way of an ordinary resolution).
3. Revision in terms of remuneration of Mr. Shreevar Kheruka, Managing Director & Chief Executive Officer and Key Managerial Personnel of the Company for his current term i.e. from April 1, 2022 to February 11, 2023 (by way of a special resolution).
4. Re-appointment of Mr. Shreevar Kheruka as Managing Director & Chief Executive Officer and Key Managerial Personnel of the Company (by way of a special resolution).
5. Payment of remuneration to Mr. Shreevar Kheruka as Managing Director & Chief Executive Officer and Key Managerial Personnel of the Company (by way of a special resolution).
6. Re-appointment of Mr. Rajesh Kumar Chaudhary as Whole-Time Director and Key Managerial Personnel of the Company (by way of a special resolution).

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7. Payment of remuneration to Mr. Rajesh Kumar Chaudhary as Whole-time Director and Key Managerial Personnel of the Company (by way of a special resolution).

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. 9 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. I now request Mr. Naveen Bothra to express his views and ask questions

Anshu Agarwal

Mr. Naveen Bothra?

P.K. Kheruka

Has he been given permission? We don't see his name over here.

Naveen Bothra

Hello.

P. K. Kheruka

Hello Naveen ji.

Naveen Bothra

Naveen Bothra, pleasure attending the 12th AGM from Delhi. A very good afternoon to our respected Chairman, Pradeep Kheruka, our Vice Chairman Shreevar, the other esteemed board members, and management team present in this meeting. First of all, I would like to congratulate the management team led by Shreevar for the best ever performance achieved despite challenges in all the fronts. I would also like to congratulate the team on the various awards and accolades, recognitions achieved during the year including the honor by Governor of Maharashtra, for the outstanding initiatives of Borosil Group Management during the COVID-19. Congratulations.

The annual reports, this year's annual report revolves around our three unique assets, people, customer and technology, with the color combination of pink, orange and green gives the feeling pink for love for people, orange means appetite for growth, and green happiness for customers, which quite indicates a robust right growth path for our company going ahead also. So, we appreciate the theme of this year's report as well as the lot of other improvements in the presentation of the annual reports. We appreciate this. And finally, the vicious circle further indicating the never-ending link between these 3 unique assets is quite highly appreciated.

And now, coming to the last 4-5 years value creation for shareholders, the board's valuable and regular guidance and the management team's ability and hard work of the team Borosil has

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created a lot of wealth creation for all the shareholders, for which we are quite grateful. We express our gratitude and we do hope strongly and also wish that this wealth creation journey of Borosil group continues under your leadership, guidance and team's ability going ahead also. I would like to especially mention Anshuji for a smooth coordination for attending this AGM and for nicely prepared annual report.

I have the following points for your learned use. We are witnessing good and bold moves under your leadership in both the listed companies i.e. Borosil Limited as well as Borosil Renewables Limited and inorganic acquisition of German company in Borosil Renewables. We do look forward to more such bold moves in both the consumer business as well as the scientific vertical once these become separately listed companies. We request you to kindly share your medium-term management plan for both the verticals, which are going to be separated and separately listed entities.

What is the growth plans and prospects going ahead for BL and BSL in the coming 3-5 years if you can highlight, it will be quite helpful. And the second question is regarding the Brand Borosil ownership clarity. There are already 2 companies using Borosil brand and now the 3rd entity, Borosil Scientific is going to be listed also. So, kindly clarify, the brand owners under Borosil ownership. Mr. Chairman, can you kindly share your views regarding this.

Shreevar Kheruka

I think we can answer all the questions at the end.

Naveen Bothra

Yes. There are 2 more questions.

Shreevar Kheruka

Yes please.

Naveen Bothra

Keeping in view our organic expansion in the consumer division at Jaipur regarding Larah, the raw materials and glass tubings, I understand that the whole of the land resources will be utilized. So we would like to have your views for the future expansion plans for Jaipur Borosil plant in the consumer division. What's the way going ahead keeping in mind the opportunities available in this space as well as our warehousing and all these will need to be upgraded.

Is there any plan for the name change of Borosil Ltd.? As after demerger both the divisions will be separately listed, BL will be our vehicle for consumer business and the BSL will be for the scientific and laboratory work. In the earlier demerger also, we gave a wider perspective to Gujarat Borosil by renaming it Borosil Renewables Limited and name change to Borosil Scientific Ltd. is also quite a good initiative giving it a wider perspective, so we would like to

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know your views on renaming BL in the coming times as Borosil Consumer Limited. And to conclude, congratulations on further simplification of both the consumer and scientific division. We appreciate this very much and wish the management team all the very best in its vision to be the most customer-centric company in India. And I have already voted in favor of all the resolutions and also propose a vote of thanks to the board. And thank you very much for providing me the opportunity. Thank you.

Shreevar Kheruka

Thanks so much for your kind words, Mr. Naveen, and to answer your questions as far as the medium-term management plan is concerned on the scientific and the consumer division, we are adding the 2nd furnace of opal glass and the new furnace of borosilicate glass and for this the CAPEX is close to Rs. 400 crores and on the front end, we will be adding technology as already highlighted in terms of customer connect, we've started to B2C website, which is doing very well.

So, on the consumer side, how does boil out in numbers, I think we are saying that we should grow 15-20% CAGR over the next 3 odd years. As far as the scientific business is concerned, we have invested in Borosil Technologies to grow instrumentation, we are growing our exports and we will be investing almost Rs. 60-70 crores in Klasspack growing the pharmaceutical packaging. In addition to this, we will be investing in a tubing furnace, which is the backward integration.

This will not grow revenues too much, but it will give us a surety of supply, as today we are importing this product and once we make it ourselves in house, it will give us safety in case of any further geopolitical challenges. So, scientific deviation growth will be about 12% CAGR over the next 3 years and both these growths, of course, we will try and achieve better than this, but this is what we have the kind of visibility. Coming to Borosil brand ownership, Borosil brand is owned only by one company and that is Borosil Limited.

And as far as Borosil Renewables you mentioned, they don't really need a brand. It's a B2D sale, while company is called Borosil Renewables, the glass itself has different brands like saline or Shakti or we have a few other brand names for the glass. So, frankly Borosil brand is hardly used in a sense for Borosil Renewables. So, that's one thing, but I think as far as the scientific company is concerned definitely Borosil will have a brand in the scientific space and also the consumer space.

In Jaipur, we are expanding 2 furnaces and both these furnaces will then utilize the existing resources. Of course, we always are on the lookout for more land. So, we will see whether we get it at a reasonable price there or whether we should have a different location for the expansion. On the expansion front, quite frankly, the next 3 years, I think we're quite busy with these two expansions until we absorb this, probably we will not be doing any further organic inspection at the Jaipur division.

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And as far as the name change, we have noted your point on changing the name from Borosil Ltd. to Borosil Consumers Ltd. Thank you for your suggestion.

P.K. Kheruka

I now request Mr. Vasudeva Ramaswamy to express his views and ask questions. Thank you.

Vasudeva Ramaswamy

Good afternoon.

P.K. Kheruka

Good afternoon.

Vasudeva Ramaswamy

How are you?

P.K. Kheruka

I'm good. Thank you very much.

Vasudeva Ramaswamy

Mr. Shreevar, good afternoon.

Shreevar Kheruka

Good afternoon.

Vasudeva Ramaswamy

I'm Ramaswamy attending from Delhi. At least next year we should try for hybrid meeting. This is a personal request to you. Mr. Shreevar, the team has done a very good job in giving fantastic numbers. Again, it is against all the odds, you know, there were geopolitical problems, COVID problems, etc. We have come up with good numbers, congratulations.

We are conducting the AGM in July, so it is also a sort of improvement. Secretarial team has prepared the Annual Report very nicely. It has got very good content and you know look is also fantastic, and we highly appreciate. Though it is not mandatory for us as of now, we request for integrated annual report in the next AGM. We have got new products in kitchen wares including cookers and also, we have launched gas stoves also.

So, now, what are we proposing as new products? Are we planning to go into Electronic Consumer Durable (ECD) space like, air purifier, fan, geyser, etc.? Again, I come to ESG. ESG report is fantastically compiled and your PR agency is also very good. So, again, credit goes to Anshuji and your team and all the management team and the financial team. There is one latest

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concept, carbon capture utilization and storage (CCUS). Kindly elucidate on this and are we looking for any opportunity in our company in these aspects?

Are we planning to get in our ESG ratings done. Now, coming to solar energy generation, are we planning to scale up the energy generation? What are the CapEx for that and how much funds to be allocated. My point number 3 is on climate change. This is a topic of today and you know, single use plastic has been banned. What will be the effect of this on our company in all the prospects? Are we planning to explore this as a business opportunity, so that we can get, new markets, new products, etc.

That's all Sir, congratulations once again. Thanks for the opportunity. All the best Mr. Pradeep Keruka. Thank you.

P.K. Kheruka

Thank you, Mr. Ramaswamy, for your kind words. I am really proud of the Borosil team for the way they have responded to so many challenges and still come up with it. It's a matter of great pleasure and great honor for me that we have such a good team working in the company. To answer your questions regarding new products, we are planning to introduce and expand storage arrays, bottles and decorative products in glassware. The company is also introducing Borosil glass gas stoves, so these are LPG gas stoves, but with the glass top.

This is a new category and going forward it has planned to add more variants in both affordable and premium range of gas stoves in this category. We will be also launching exclusive designs of stainless-steel flasks and team India bottles. In appliances segment, we are looking at launching air fryers, new models of juicers, sandwich makers and other related products. Oil-filled heaters have already been launched by the company. Regarding ESG, Borosil has been supporting the plantation of fruit trees in drought-prone areas where this contributes to upliftment of farmer incomes and also helps to sequester carbon.

Additionally, carbon capture utilization and storage is an interesting upcoming area and has the potential to throw over the elements opportunity based on its commercial viability. We are closely monitoring this area. We shall update you based on the positive developments in the future. On ESG, the company has embarked on the journey of sustainability. We are systematically approaching the aspects relating to ESG. As a part of this journey, we shall update you on this at an appropriate time in the future.

Regarding solar energy generation, our one-megawatt rooftop solar plant is working fine for more than 1 year now. We intend to invest more in renewable energy plants within our campus and even outside of the purview, as per the regulatory frameworks at present. We are evaluating various options, including solar plants, solar wind hybrids, and so on. Regarding the issue of single use plastic ban, so as far as the consumer products division is concerned, the ban of single use plastic is definitely an opportunity for us.

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Ban of plastics means customers will look at more reduced solutions for storage and for carrying their food and beverages. They would prefer to use glass and boxes of stainless steel, or glass water bottles instead of disposable single-use plastic takeaway containers and bottles. We intend to replace plastics used in some form or the other in the output designs with environmentally friendly glass and steel products. As far as SIP division is concerned, single use plastics which have been banned are not a part of our product portfolio.

In the other key products, if any plastic is used for packaging, they are FDA-approved virgin plastic, which has not been banned. Items in the ban do not include any laboratory items. However, we will keep a watch on trends with plastic petri dishes, tubes and the laboratory materials. Thank you, Mr. Ramaswamy. May I now request Mr. Arun Kumar Maroti to please express his views and ask questions.

Moderator

He is not available.

P.K. Kheruka

He's not available. Okay. We move onto the next person. May now request Ms. Lekha Satish Shah to express her views and ask questions.

Lekha Satish Shah

Hello. Can you hear me Sir?

P.K. Kheruka

Yes, we can hear you.

Lekha Satish Shah

Thank you, Sir. Respected Chairman sir, Board of Directors, and my fellow members, good afternoon to all of you. Myself, Lekha Shah from Mumbai. First of all, I am thankful to company secretarial team for sending their AGM notice well in time. Thank you, chairman, sir, for explaining us well about the company. Congratulation for excellent performance. I pray to God that he always shower his blessings upon you. Last two years were challenging years for our company.

I had many questions to ask you, but they are all covered with the previous speakers, but there are 2 questions. My 1st question is, are we importing raw materials for our plant? Are they available in the domestic market? My 2nd question is, are we facing any delay in expansion in our manufacturing facilities.

I strongly support all the resolutions for today's meeting and my best wishes, always for our company and its prosperity. Thank you.

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Shreevar Kheruka

Thank you, Lekhaji, for your questions and your kind words. As far as raw material is concerned, we do not import any raw materials in our facility, but we do import some finished goods, which are made in the contract manufacturer factories outside of the country, and those finished goods are in Borosil brand. They're designed by us. The specification is ours. In many cases, the molds are ours, but yes, we import that. As far as delay in expansion is concerned, the supply chain challenges are there for sure in some of the projects that we're doing, and there's a chip shortage, I think everybody knows this. There's a chip shortage across the world . Thank you.

P.K. Kheruka

I learned that Mr. Arun Kumar is now available. I request him to please express his views and ask questions.

Arun Kumar

Hello.

P.K. Kheruka

Hello.

Arun Kumar

Thanks for the opportunity. Respected Chairman sir, Shreevar Sir and all the members of the board and my fellow shareholders, I'm Arun Kumar joining this AGM from Delhi and as a matter of pride, it is a pleasure for me to interact with the management. Thanks for giving me this opportunity. I would also like to thank our secretarial team for the prompt response. So, besides being a proud shareholder, I'm also a big fan of Borosil brand. I have some queries which I would like to ask.

For the Consumer Division what percentage of sale we did through ecommerce channel and how much from it was from Myborosil.com. I would like to know in the last year, how much followers we have added through our social media platform like Instagram, Facebook, LinkedIn, etc. Last year, we started gifting coupons, which I thought was a good scheme, but suddenly we stopped that. So, we would like to know the reason behind that and why we have taken back that scheme. And apart from it, rooftop solar, particularly in Rajasthan where energy is very much available, and I would like to know that whether we have further scope for the concept and what is our view on that? And we have spent around Rs. 70 lakhs on R&D, which I feel a little bit lower at the company of our size. So, I would like to know about it from the management and last but not least, when we see, you and MD sir wearing the T-shirt of Borosil, it gives us immense comfort for a shareholder like me that okay, what kind of dedication our MDs has. Thanks a lot sir.

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Shreevar Kheruka

Thank you Mr. Maroti, for nice kind words. To answer your questions, for the consumer division, on E-commerce platform, we have two E-commerce platforms. One is doing marketplaces and one is doing B2C and both these platforms have grown tremendously well in the last few years and probably COVID was also a reason for change of behavior of many consumers to buy online, because they could not go to the retail outlets.

So, we see a significant growth in these platforms. I, unfortunately, cannot disclose the numbers to anyone because these are what I call confidential information and, therefore, I will not be able to share with you the percentage, except I can say that is a meaningful contribution of both the platforms, that is Borosil.com as well as the marketplaces that is Amazon, Flipkart, etc. and we are increasing our team sizes to better cater these sources.

Your 2nd question is on the increase on social media platforms, I have the numbers for you. We are finding that the increase in followers is not directly proportional to increase in sales. So, while I can reply to your question, it's not so relevant. So, Facebook, we increased to 6,67,000 followers from 6,00,000, so about 10%, increase. Instagram went to 66,000, from 50,000, so about a 30% increase, and YouTube was a very low amount. We went to 5000 from 1900 subscribers, and LinkedIn, we went from 15,000 to 23,000. But like I said, the sales increase online are much higher percentages, especially the B2C website.

So, it's not directly correlated and probably the right metric is to understand how many people come to a website. How is that increasing? And how much of that those people are converting to sales?

The gifting coupon was good. I agree with you. We had to change our back end from Magento, and we moved to Shopify, which is the back end for the website, and we are focused on getting the backend up and running, and we will restart this program. Our goal is before Diwali this year, and I hope our teams can do that, but we will absolutely restart the gifting program.

And the last question on the solar, our goal is to add as much solar as possible, but unfortunately, all the states have different policies for how much capacity you can put. Ideally, I'd like to put 100% of our capacity, meaning 100% of our consumption by solar or wind or solar-wind hybrid, but it's not allowed by the state governments. So, we are doing the maximum we can as per the local rules of each state. I hope that they can change these rules to make it better for industry, but so far, there's a challenge over there. They're also not entirely wrong. So, we will keep looking at it and as soon as the rules change, we will increase our penetration of renewables. Thank you.

P.K. Kheruka

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

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Satish Jayantilal Shah

Hello.

P.K. Kheruka

Hello.

Satish Jayantilal Shah

Are you able to hear me?

P.K. Kheruka

Yes.

Satish Jayantilal Shah

Okay. Respected Chairman and other directors. In your chairman speech, you have described about the company pretty well. Borosil is a brilliant professional company. This year company's performance was good. I want to know how many factories of the companies are there in India and where are they located? When will the dividend list be released for the company? And today, whatever resolution is planned for, you have my full support in that. Wish you all the best. Thank you.

P.K. Kheruka

Thank you, Mr. Satish for your kind words. I want to let you know that the company has its operations at many locations. First location is Baruch where the company has its production facility. The second location of the company is in Jaipur where our consumer goods opal glass facility production is there. Third location is in Nasik where we have pharmaceutical products manufacturing. The fourth location of ours is in Pune of Borosil Technologies Limited company, where we try to invent new instruments and manufacture them. We have one more production facility in Tarapur. When it comes to dividend, as our growth is huge and we need cash to deploy our growth and that is why we have decided that until our CapEx cycle doesn't complete, giving dividend is not profitable. Please note that for consumer division, we are setting up a new furnace of Opal glass, which is being developed, so we intend on doubling our Opal glass sales and many things that we are importing, will be made domestically, and the profitability will be improved.

So, this money, if we make use in growth, it will be beneficial for shareholders and company. So, for this, for some time, we will hold the dividend, and if we follow this rule, it will be very useful in the future. Thank you.

I now request Ms. Prakashini Shenoy to please express her views and ask questions.

Prakashini Shenoy

Hello. Can you hear me Sir?

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P.K. Kheruka

Yes, we can.

Prakashini Shenoy

I'm Prakashini Shenoy from Mumbai. Respected honorable chairman, Shri Pradeep Kumar and 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, transparent, informative, and contains all the information's as per the corporate governance. I thank the company secretary and her team for the same. I should not forget to thank them once again, for phoning me and giving me the link for today's speech, without which I wouldn't be in a position to speak.

The Chairman has given a fair picture regarding thin and thick of the company in a beautiful way, which was very nice. I appreciate chairman Sir. I'm glad that the company has done very good work in the field of CSR activities. At the outset, I congratulate the management for various awards received during the year. So, I have a few questions. Number 1, what is the roadmap for the next two years? Number 2, how are we planning to progress towards digital future? Number 3, what is the CapEx program for the year?

Sir, is there any idea to expand the existing R&D or going to have a new R&D? If yes, what may be the expenses? 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 wholeheartedly support all the resolutions put forth in today's meeting? Thank you.

P.K. Kheruka

Thank you so much. I'll request Shreevar Kheruka to answer your questions.

Shreevar Kheruka

Thank you for your questions. As far as a roadmap for the 2 years and the CAPEX, I believe, earlier I answered these questions, but effectively the CAPEX will be about Rs 425 crores for consumer division and about Rs 200 crores for scientific division in that range in the next 2-2½ years, and the expected growth for consumer division, is about 15% to 20% CAGR and for the scientific division we should take as 12% CAGR. So, that is as far as the roadmap and the CAPEX is concerned. The digital future question is a good one from the point of view that we are spending a lot of money on that. In that also, when I spoke about the CAPEX, the digitalization also is quite expensive, and will require maybe 20 to 25 crores of out of this CAPEX that I've already shared, and this is both on the front end and the back end.

On the front end, we have to have various, let's call it systems to measure our sales not just from us to the distributor, but from the distributor to retailer, and the sales are measured by product category by retailers. And this will help get more market intelligence, which products are

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doing well in real time, which will help us have better conversations with our retailers, it will help us have better production planning, so we can have more inventory.

It can help us for better new product launches. It can help us for understanding the efficiency of our advertising campaigns. So, there are many benefits of the front end, let's say a digital ecosystem. On the back end, whether its supply chain or whether it's the factories, we are upgrading to SAPS4 in this particular year, which is a substantial CapEx for us, but this will make the entire backbone of our ERP very strong.

And we will also make sure that all the things such as production, planning, maintenance, quality, all are now linked to one common system, which will give better visibility. And we come closer to the industry 4.0, which is now the buzzword, but it's not just a buzzword, it's actually something we are trying to implement.

So, all of these things require a lot of CAPEX and also a lot of training. And we have to make sure that we implement them perfectly. So, this is a journey, it will take, you know, maybe a couple of years to implement all the things that we wish to implement. And even then, I would say there's a lot more to implement. We are just beginning this journey.

R&D, yes, actually, I think this question was asked before also or maybe we missed answering it. we spend a lot of money on R&D, but it's not actually captured as R&D. And maybe that's something that we need to do a better job from the accounting point of view, but we are developing products all the time.

And I feel that this is an area where we will be having a formalized approach in the next 12 months at a group level where we will have a R&D center. Once we have something on the ground I can share with you the plans in a more concrete manner. So, thank you for your questions.

P.K. Kheruka

I now request Mr. Ravi Kumar Naredi to express his views and ask questions.

Moderator

He is not available.

P. K. Kheruka

We move onto the next shareholder. I now request Ms. Vasudha Vikas Dhave to express her views and ask questions, please.

Vasudha

Hello. Can you hear me Sir?

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Management Team

Yes, Ma'am. We can.

Vasudha

Okay. Thank you very much. Respected Chairman sir, Board of Directors and my fellow shareholders, myself, Vasudha from Thane. I would like to congratulate our company secretarial team for sending me the soft copy of the report well in advance, which itself is clear and transparent. Most of the questions were asked by my previous shareholders, I don't want to repeat it again.

Only one thing I want to notice you that please look into the matter of unclaimed shares suspense account and try to avoid this going to IEPF fund. Further, after the corona is over, please arrange a factory visit for all the shareholders if possible. With this, I support all the resolution. Thank you very much and wish the company all the best for coming financial years as well as coming festivals in the month of Shravan. Thank you very much.

P.K. Kheruka

Thank you very much for your kind words, Vasudhaji. I will say that we are making every effort to locate shareholders, who have not responded and whose shares are going into the suspense account related to the IEPF account. In some cases, we are successful. In the past years, we have actually sent people to their addresses to try to find out where they are and help them to recover their shares and amount and we have been successful in few cases and we will continue to do that. With reference to the question of factory visit, you see the factories that we are involved in, involves a lot of processes, which are quite confidential, and you will appreciate that it is possible for anybody to buy the shares and become a shareholder, and then request for a factory visit and then, they could take away our, manufacturing secrets and things like that. So, this is something, which we have in the history not entertained and we would not be able to. So, I will have to, you know, express my reservation on this point. So, anyway, thank you very much for your kind words and for coming and asking questions. I now request Mr. Jaydeep Bakshi to please express his views and ask questions.

Jaydeep Bakshi

Good afternoon, Sir. Am I audible?

P.K. Kheruka

Yes.

Jaydeep Bakshi

Good afternoon, Chairman and MD, CFO and Board of Directors, myself Jaydeep Bakshi connecting from the city of Kolkata. Thanks to our company secretary, Anshu Agarwal, for providing me an opportunity to express my views and also for providing a copy of annual report, a well presented one and a colorful and descriptive and informative.

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The COVID crisis has put much spanner in our everyday life and in spite of this, our company has a remarkable achievement. I convey my condolences to the family members who have lost their lives or the employees who have lost their lives to this company. This economic crisis, global time, inflation, how do we tend to settle ourselves to come out of this existing crisis and regarding the country's raw material price, what is the status of plant at Jaipur, which we are going to put up. When is the production timeframe. Can you share it with me.

What are the precautions that we are taking regarding the fire safety, which are taking place around and from ecommerce, what has been the percentage of revenue generated? Congrats for the initiative for environment and health and all these aspects of this recycle, the solar energy, and energy saving all the steps we have taken and also for the awards the company has received. And no doubt they are meant for all concerned with our company. With a tilt forward toward glassware, glasses over the effects of this plastic ware and the benefit of this disorder system and the cooking and the serving taking place, how do we plan to penetrate into the lower towns and cities. We are the plans to cater to tier 2 and 3 cities, how do you plan to enter into these.

Borosil brand laboratory glassware could even be heard from our school days also and we have used it personally. So, what was the loss due to this closure of education institution and research institutes during Covid. How much of the revenue we have and congrats once again for this year activities where we've spent 106 lakhs that is more than the prescribed amount and what are our export plans for further penetration into the other market. And one thing you have mentioned in page number 64, the laboratory technicians are able to get their orders delivered to them on the same day.

I don't know this system of delivery, your own persons can go and hand over the product to these laboratory technicians, I think it will be creative mileage for money, and also it will be a satisfaction to the receiver end, and also on the spot, we can have response of our product. I think it will carry more mileage. Thank you and nothing to add more. We hope that under your guidance, everyone in the management and the board of our company will come out with more effectiveness and we hope much better results in the coming days. Thank you and all stay safe Sir.

P.K. Kheruka

Mr. Bakshi, I want to thank you for having studied the report so carefully and for having carefully made so many nice observations. It's very nice to have shareholders who are involved in the business of the company, and it gives us great heart that people are actually going through and studying the report that we make with a lot of love and affection.

I would ask Mr. Shreevar Kheruka to answer the many questions which you have raised, but before I do that, I want to say one thing that every cloud has a silver lining and the COVID crisis,

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which we saw, which has engulfed the whole nation and the whole world actually, it also has a silver lining. The silver lining was that it brought the management and the company employees together. It brought the company employees together with each other.

When some people were in hospitals struggling for oxygen, struggling for medication, there were employees which were going around looking for gathering the oxygen and medication and supplying it to the people who were sick. The other people who are sick once became okay, then they became members of the team who were then able to supply and provide for the other employees.

So, it has fostered a very close team spirit within the organization. And this has helped the organization actually and we are working much like a family now, though we were always like a family, but the bonding has become much closer now because of COVID, so the disease was terrible, but it had some positive aspect to it. Now, I will ask Mr. Shreevar Kheruka to respond to your various questions.

Shreevar Kheruka

Yes. So, as far as the economic crisis is concerned, I think, I have already answered. They were managed by the team. We have very strong teams, you know, looking at every aspect of the business, and I think we did a fair job of managing not just economic, but also the health crisis that we had. As far as fire safety is concerned, we have done fire safety audit by Cholamandalam, which is a well-renowned company and whatever recommendations they had made, we are implementing those recommendations at every location.

I would like to say that even before this we had done audits and when we had fire last year on April 1st, nobody was even injured. I mean, it was so because all the protocols were followed. However, the fire just spread too fast for us to control it. As far as the penetration into the lower towns, into the second or third tier towns, I will say that this penetration is different in different levels. For example, in east of India, our penetration is very high in the smaller districts and the smaller towns for religious events, but in the south, the penetration may be the lowest. We are working it.

I can tell you that at each state level, there are goals that you must enter into various districts, you have the right distribution, and of course, the most important thing is of the right product, because our product range is quite vast and some products, it depends on the different segments of the population, different products go for these different segments. So, we must have the right products also to enter into the smaller towns, which you are working on. Lab glassware sales lost, it's a very difficult question to answer, but in general, I would assume between 7 and 10%, which is our sales to the schools, colleges, educational institutes, and maybe even some government institutes.

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As far as export plants are concerned, especially in labware, we are always increasing our exports, although there is a low base, but the growth is good. There are a lot of repeat orders from the customers, and I think this will go in the double-digit growth. So, we are going to build up a strong export team and I think the customers are quite satisfied because in the last few months, we are getting many customer visits and they all talk about increasing their purchase. Thank you. Thank you for your, time.

P.K. Kheruka

I have just one more thing to add on the exports. You'll be happy to know that we are exporting a great deal to Germany, and the German customers are among the world's most demanding, and they came back with compliments for the quality of our products, the packing, our delivery, shipment, and everything. And we are actually able to expand on our export base in Germany, which gives me a certain amount of pleasure that you know, we are now internationally recognized and accepted as an international brand. Anyway, thank you very much.

And we come nearing to the end of the business of this meeting.

I take this opportunity to place on record our grateful appreciation to all our employees, customers, government, regulatory authorities, vendors, banks and last but not the least the shareholders for their unstinted support. I once again thank the shareholders for attending this 12th Annual General Meeting.

E-voting will be in progress for the next 15 minutes. Accordingly, shareholders who are yet to vote, may cast their vote during the next 15 minutes, after which this meeting will stand concluded.

Thank you.