

VOITH PAPER FABRICS INDIA LIMITED

TRANSCRIPT OF THE 56th ANNUAL GENERAL MEETING

Day : Wednesday

Date/Time : 19th August, 2026 / 3:30 p.m. (IST)

Mode : Through video-conferencing

Deemed Venue : Registered Office of the Company, 113/114-A, Sector-24, Faridabad, Haryana.

3:30 PM - Mr. Martin Bassmann, Chairman began the proceedings by saying:

Namaste and good afternoon, I am Martin Bassmann, Chairman of the Board of Directors, as well as the Chairman of Corporate Social Responsibility Committee, of your Company.

I wish to mention that the participation of members through Video Conferencing is being reckoned for the purpose of determining the quorum, in accordance with the circulars issued by the Ministry of Corporate Affairs and Section 103 of the Companies Act, 2013.

Now it is 3:30 p.m. according to Indian standard time and I would like to inform everyone that we have the requisite quorum present to conduct the proceedings of the meeting and, hence I call this meeting to order.

I welcome you all to the 56th annual general meeting of your company. I am participating in this Meeting from my office in Heidenheim, in Germany.

Before we start, I would like to let you know that the proceedings of this meeting are being recorded and during the meeting the participants would remain on mute.

I wish to introduce my other colleagues of the board, key managerial persons and auditors of your company.

- Mr. R Krishna Kumar (Managing Director)
- Mr. Ravinder Nath (Non-executive & Non Independent Director)
- Dr. Deepti Gupta (Independent Woman Director)
- Mrs. Pallavi Dinodia Gupta (Independent Woman Director)
- Dr. Ram Sewak Sharma (Independent Director)
- Mr. Kalyan Dasgupta (Chief Financial Officer)
- Mr. Deepak Behl (Company Secretary and Compliance Officer)
- Mr. Rajiv Goyal, representative of Statutory Auditors; and
- Mr. P.C. Jain, the Secretarial Auditor and Scrutinizer

I now request my colleagues participating in this meeting, to introduce themselves.

Starting first with Mr. R. Krishna Kumar.

Mr. R. Krishna Kumar

Thank you Mr. Bassmann. Good afternoon everyone. I am R. Krishna Kumar, Managing Director of your Company. I too welcome you to the 56th Annual General Meeting of the Company. I hope all of you are doing great. I'm attending this meeting from the registered office of the company at Faridabad. Thank you.

Over to Chairman.

Mr. Martin Bassmann: Thank you Krishna.
Mr. Ravinder Nath please.

Mr. R. Krishna Kumar: You are muted Mr. Ravindra Nath.

Mr. Deepak Behl: Sir, you are on mute.

Mr. Ravinder Nath:

Good afternoon everybody and Namaskar. I am Ravinder Nath, and I am a Non-Executive and Non-Independent Director of your Company and also the Chairman of the Stakeholders' Relationship Committee of the Board of the Company. I am attending this meeting from my office in New Delhi. Thank you.

Over to Chairman.

Mr. Martin Bassmann: Thank you. Dr. Deepti Gupta please.

Mr. Deepti Gupta

Yeah Good afternoon. I am Dr. Deepti Gupta. Independent Director in your Company, and I am also the Chairperson of the Nomination and Remuneration Committee of the Board. I am attending this meeting from my office in IIT Delhi. Thank you.

Over to the Chairman.

Mr. Martin Bassmann: Thank you. Ms. Pallavi Dinodia Gupta please.

Mr. Pallavi Dinodia Gupta

Good afternoon everybody and Namaskar. I am Pallavi Dinodia Gupta. I am an Independent Director on the Board of the Company. I am also the Chairperson of the Audit Committee of the Board. I am attending this meeting from my office in New Delhi. Thank you.

Over to the Chairman.

Mr. Martin Bassmann: Thank you also. Dr. Ram Sewak Sharma please

Mr. Ram Sewak Sharma

Namaskar and Good afternoon everyone. I am Ram Sewak Sharma, an Independent Director of your Company and I'm attending this meeting from my residence in Noida, Uttar Pradesh, India. Thank you very much.

Over to the Chairman.

Mr. Martin Bassmann: Thank you. Mr. Kalyan Dasgupta please.

Mr. Kalyan Dasgupta

Good afternoon everyone. I am Kalyan Dasgupta, CFO. I am attending this meeting from the Company's registered office. Thank you.

Over to the Chairman.

Mr. Martin Bassmann: Thank you. Mr. Deepak Behl please.

Deepak Behl

Good afternoon everyone. I am Deepak Behl, Company Secretary and Compliance Officer of your Company. I am attending this meeting from the Company's registered office at Faridabad. Thank you.

Over to the Chairman.

Mr. Martin Bassmann: Thank you. Representative of Statutory Auditor, Mr. Rajiv Goyal.

Mr. Rajiv Goyal

Thank you. Good afternoon everyone. I am Rajiv Goyal, Audit partner with M/s Price Waterhouse Chartered Accountants LLP. I am attending this meeting from Jaipur, in a hotel room. Thank you.

Over to the Chairman.

Mr. Martin Bassmann: Thank you very much. Representative of Secretarial Auditors and Scrutinizer, Mr. P.C. Jain.

Mr. P.C. Jain

Good afternoon everyone. I am P.C. Jain, Secretarial Auditor and Scrutinizer for this AGM, I am attending this AGM from my office at Faridabad.

Thank you, over to the Chairman.

Mr. Martin Bassmann: Thank you very much all.

Now I request the Company Secretary, Mr. Deepak Behl, to provide general instructions to the members regarding participation in this meeting please.

Mr. Deepak Behl

Good afternoon once again and thank you Chairman. Please note that in compliance with the guidelines issued by the Ministry of Corporate Affairs applicable provisions of the Companies Act, 2013, and SEBI (LODR) Regulations, 2015 and applicable provisions, the 56th Annual General Meeting is being convened through video conferencing.

Before we proceed further, I would like to mention certain points for effective participation in this virtual meeting.

In accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the members have been provided the facility to exercise their right to vote by electronic means, both through Remote E-voting facility and E-voting at the Annual General Meeting.

The Members who have not yet cast their vote through Remote E-voting on the business items mentioned in the Notice of the AGM and who are attending this meeting, the facility to cast their vote through E-voting is available during the meeting and would remain available for 15 minutes after the conclusion of this meeting.

The Remote E-voting for members began at 9.00 a.m. on Sunday, 16th August, 2026 and ended at 5.00 p.m. on Tuesday, 18th August, 2026. Members may please note that there will be no voting by show of hands and the proceedings of this Meeting are being recorded for the compliance purpose.

The relevant statutory registers of the company are also available for inspection by the members electronically through the link on the CDSL E-voting portal.

Members are encouraged to join the meeting through their laptops and use headphones for better experience. Use of internet with a good speed is also recommended to avoid any disturbance during the meeting. Participants connecting with mobile devices or tablets or through laptops connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

As mentioned in the Notice, the facility of participation at the AGM through video conferencing or other audio/visual means has been made available for at least 1000 members on a first-come, first-serve basis, except for large shareholders, promoters, institutional investors, directors, key managerial personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee as well as the auditors, who are allowed to attend this AGM without any restriction on account of first-come, first-serve basis.

As the AGM is being held through video conferencing the facility for appointment of proxies was not available, and hence the proxy register for inspection is not available. However, a body corporate is entitled to appoint authorized representatives to attend the AGM through video conferencing or other audio-visual means and to participate and cast their votes.

The registered office of the company, situated 113/114-A, Sector-24, Faridabad, Haryana, India, PIN code 121005, shall be deemed venue for this AGM and the proceedings of the AGM shall be deemed to be made hereat.

We have received requests from some members for registration as speaker shareholders at the meeting. All such shareholders who are present today shall be allowed to speak sequentially once the Chairperson directs for the same. We request speakers to limit their speech to about 5 minutes only. The queries from the shareholders, if any, would be responded towards the end of the meeting.

Now I request the chairman, Mr. Martin Bassmann, to share with the members the performance of the company during the financial year ended March 2026 and the general outlook for the same.

Over to the chairman.

Mr. Martin Bassmann: Thank You Mr. Behl.

I feel deeply honored to be addressing all of you. Your presence here is a testimony of your interest and support to the company. Your trust and support give us the confidence to push ourselves to work for a better future of the company.

Today's meeting provides an opportunity to review our performance for the financial year ended 31st March 2026, which reflects the progress we have made, and share our outlook for the future.

During the year gone by, your Company has grown steadily in terms of revenue and profits. The products and related after-sales services provided by the company meet the high quality and customer satisfaction - for which brand Voith is globally known - making it the 'First-choice supplier of paper machine clothing' amongst various paper mills across the country.

It is no secret that we are operating in an environment consumed with uncertainties and unforeseeable challenges. But I am pleased to see the dedication with which everyone has worked to ensure to provide the best possible support to our customers and to tap new business opportunities wherever it is possible. This approach is pretty much aligned with the vision and goal of Voith Group - to build closer relationships with customers and drive growth, leading to the strengthening of local entrepreneurial responsibility.

As a listed entity, we remain fully committed to the highest standards of corporate governance and accountability. The Board continues to discharge its responsibilities diligently, providing strategic direction and oversight of management's execution of the business plans. We also ensure that our governance practices remain aligned with applicable laws, stock exchange requirements, and best practices. Protecting shareholders interests and maintaining investor confidence remain central to everything we do.

India continues to be the fastest growing economies in the world and with increased manufacturing activities, further growth of paper industry is inevitable. The Company believes that the paper industry in India presents quite good growth opportunities,

supported by favorable demand trends, increasing consumption, and expanding market potential across key end-use segments.

At the Group level, Voith's bundled know-how and specially focused innovation on the paper industry is unique in this market. For each initial situation, Voith experts offer paper Manufacturers customized complete solutions consisting of digitalization, automation and expert knowledge. This makes it all the more important to stay close to our customers and capitalize on regional opportunities. The continuous support of Voith Group in providing the latest technology is helping the Company to have an edge over its competitors.

Geopolitical uncertainties, volatile markets, and economic challenges continue to shape our business. However, the past few months have shown that we can succeed even in challenging market environment. I believe it is a matter of deep satisfaction for all of us, that your company has grown steadily even in these uncertain times. This was made possible with unrelenting commitment and hard work of our employees at all levels.

We also recognize that long-term success depends on responsible business practices, and like earlier years, this year also we have continued to focus on community development and helping individuals belonging to economically weaker strata of society by promoting healthcare, employment enhancing vocation skills and promoting education, as part of our CSR commitment.

I would like to express my appreciation to my fellow Board members for their guidance and commitment through the year. I also extend my gratitude to the executive management team and all employees for their dedication and professionalism.

To the shareholders, both longstanding and newly joined, thank you for your continued faith in the Company. Your support is invaluable as we pursue our strategic objectives. We are committed to building on our progress and delivering sustainable, long-term value for all our shareholders.

The results so far show what we can achieve together. These endeavors strengthen our competitiveness, while laying the foundation for targeted investments of Voith's future. Our shared commitment remains unchanged: One Voith! All for one and One for all!

While external conditions may continue to evolve, we believe the Company is well positioned to respond with resilience and agility.

Thank you.

Mr. Martin Bassmann: So Now let us take the Business items to be transacted in this meeting.

As the Notice convening this AGM and the Audited Financial Statements together with the Board's Report and Auditors' Report thereon, have already been circulated to the members electronically and I take the same as read.

However, I request the Company Secretary, Mr. Deepak Behl, to provide a summary of the Auditors' Report.

Mr. Deepak Behl

Thank you sir.

The Statutory Auditors, M/s Price Waterhouse Chartered Accountants LLP and the Secretarial Auditors M/s P.C. Jain & Co., have expressed unqualified opinion in their respective Audit reports for the financial year 2025/2026. There were no qualifications, observations or adverse comments on financial statements and allied matters, which have any material bearing on the functioning of the Company.

The Statutory Auditors Report on the financial statements are available on page numbers 40 to 49 of the 56th Annual Report and the Secretarial Auditors Report is available as Annexure IV of the Board's Report on page numbers 17 to 19.

Thank you.

Over to the Chairman.

Mr. Martin Bassmann: Thank you, Mr. Behl.

We shall now take up the business items as set forth in the Notice. I am pleased to bring to your notice that, as required under the Companies Act, 2013, Company has provided the facility to cast the vote electronically, on all resolutions set forth in the Notice.

We will open the floor for questions by members after the business items are taken up and I request the Company Secretary to brief the same to everyone and also to invite the registered members to express their views.

Mr. Deepak Behl

Thank you, Sir.

Members may please note that the following business items to be transacted at this AGM:

Item No. 1 of the Notice - Adoption of Financial Statements.

The Audited Financial Statements of the Company for the financial year ended 31st March, 2026, together with the reports of Board of Directors and Auditors thereon.

Item No. 2 of the Notice - Declaration of Dividend.

The Board has recommended a final dividend @ 100%, i.e., Rs.10/- per equity share of Rs.10/- each fully paid-up, for the year ended 31st March, 2026.

Item No. 3 of the Notice - To consider the reappointment of the Director who retires by rotation.

Mr. R. Krishna Kumar, who retires by rotation and, being eligible, seeks re-appointment,

Last Agenda Item No. 4 of the Notice - Approval of Material Related Party Transactions

Approval of the members is required for the Material Related Party transactions to be carried out by the company during the year 2026/27.

In accordance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Holding Company is ineligible to vote on this item, being a related party.

The text of the resolutions on respective item is available on the E-voting platform of CDSL.

Now, I would invite the speaker shareholders to present their views or ask questions at this meeting.

Members are requested to give opportunity to other speakers and hence, briefly put forward their questions or views quickly. The moderator will facilitate their participation. To avoid repetition, answers to all the questions will be provided at the end.

Now I would call upon the name of shareholders who have pre-registered themselves as 'Speaker' for speaking at the AGM and would request the moderator to unmute them one-by-one.

To start with Mr. Manoj Bagadia from Mumbai. I request the moderator to kindly unmute Mr. Manoj.

Moderator: Mr. Manoj please ask your query.

Mr. Manoj Bagadia: Hi sir, can you hear me? Hello can you hear me? Thank you very much sir for the opportunity.

First of all, I must thank Deepak ji, and his department for sending the physical report as well as making it smooth to attend this meeting. I am doing it after a very, very long time, sir.

I have been investor for more than 25 years, and I have known this company right from the Porrets & Spencer days. So I just wanted to mention that I have a reasonable understanding about the business.

My first question is, sir, what's the industry size as of today for all our products? If you look at right from the forming stage to the finishing stage of the paper industry, and what's the average growth rate that we are seeing in the Indian market?

Second thing is, how do you see the competition from the domestic player, which is not much, as well as from the imports, and how competitive we are?

My third question is, if you look at the situation in Europe or other developed countries, there are significant challenges in the business and the significant cost differentials are there between India and US. So has parent ever thought about sourcing some of the products, or transferring some lines of business? And if not, then why? Because we have the capability, we have a long history, we have cash resources, and we have a best cost structure possible that we can cater to. So if we can talk about on the opportunity and the parent's view on the exports. Are there any inorganic opportunities in the Indian market or the nearby countries where we can expand, if parent allows us?

What are we planning to do with cash, sir? I believe most of the shareholders last 20 years, or maybe 15 years, would have, raised issue on the cash, what we have in the balance sheet and what we are generating. So can you talk about what are we planning to do? Because I don't think so that we have been able to use cash, and cash does not give you much returns. Putting money in the bank does not generate much return. So either you put money for the business or you distribute to shareholders. And I think there are enough opportunities if parent looks at it very closely.

We're spending about 7 crores in R&D, sir. Are there any opportunities to do a lot more in R&D, or maybe even for the parent on particular products if we can do R&D? My other question is, sir, for a very, very long time we have been deficit in forex. I mean, our exports are about 37 crores and outflow is about 72 crores, and I believe last 25 years this would have been similar history. So do you see this changing over a period of time?

And my last question is, sir, in the annual report we talk about better world, doing a lot of things in the world, doing a lot of things about the community. I think the only thing missing in our annual report as well as the parent's mindset is creating value for the minority shareholders. And I think we have failed, we have literally failed, and I urge even independent directors to look at it, and there should be a view about generating or creating minority shareholder value. And I sincerely will look at it, sir. It's been very, very long time, and we need to create a lot of value. Thanks a lot, sir. Appreciate the opportunity.

Mr. Deepak Behl: Thank you Mr. Bagadia. Moderator, please unmute Mr. Nand Kishore Sharma from Mumbai.

Moderator: Mr. Nand Kishore Sharma ji, please ask your query.

Mr. Nand Kishor Sharma: Yeah, thank you for this opportunity. I have actually sent in my list of questions. Do you want me to repeat those questions, or would you have those questions?

Mr. Deepak Behl: Sir you can repeat a few of the questions, then we'll answer that question after this speaker session.

Mr. Nand Kishor Sharma: Okay, excellent. So I have nine questions. One is, what is the total size of paper machine sold in India? What percentage of revenues comes from sale of products to, non-voith clothing machines in India, and how has this number grown in the last five years?

In terms of pricing, how much premium do our products command over domestic competitors and MNC competitors? What percentage of revenue comes from forming fabrics, and what is the size of opportunity of forming fabrics in India?

In terms of related party, and I appreciate that the company has been taking efforts to build on related party, but could you give us the size of opportunity and what size India is catering to?

Also in terms of cost of production, what is the difference between Indian cost of production and our global cost of production? Seventh question is, how many Voith machines are installed in India, and how many machines were sold in the last three years?

Question number eight, do newer machines require higher value machine clothing products, and how many products have been introduced in the last few years for these newer machines?

And last question is, as Indian paper mills are increasing their exposure towards specialty paper, how much value-added product will be required by these mills versus the older ordinary product? So some highlight there will be highly appreciated on these answers. Thank you.

Mr. Deepak Behl: Thank you, Mr. Sharma. Moderator, please unmute Mr. Praveen Kumar from Delhi.

Moderator: Sir, currently he is not available in the meeting.

Mr. Deepak Behl: Right. So, we will shift to the next one. Then unmute Mr. Sandeep Kumar Jain from Kolkata.

Moderator: Mr. Sandeep, please ask your query.

Mr. Deepak Behl: Mr. Sandeep, you are on mute. Moderator Can you check?

Moderator: Maybe sir, he is not available in the seat. So we can take him at the last, if you permit.

Mr. Deepak Behl: So you can unmute Mr. Viraj Kacharia from Mumbai.

Moderator: Mr. Viraj, please ask your query.

Mr. Viraj Kacharia: Yeah. First of all, thank you for the opportunity, and I would like to thank Mr. Deepak Behl ji, he has been very forthcoming and very helpful in facilitating, the whole, you know, registration for the speaker and following up very actively in terms of questions and other things. So thank you for that. I have already sent my questions, quite a long list of questions to the management. Can you confirm the receipt of that?

Mr. Deepak Behl: Yes, we received that and we'll try to answer them after this session. You can also ask few questions from that.

Mr. Viraj Kacharia: So I would request if you can answer each of them in detail. See, in addition, I have one specific question, and this is for Mr. Martin Bassmann, and Mr. Krishna Kumar specifically. See, if you look at our company's performance, say, last 10 years. I think we clock somewhere around 100 crores kind of a sales in 2018-2019, and we reached 200 crores, in 2026.

So it took more than eight-nine years for us to barely just double. While in the annual report we talk about export, non-paper, capex growing, capex spend increasing. So if you have to look at next three to four years, do you think we have business levers or drivers in place for us to, double our scale, to, say, 400-500 crores over next four to five years, you know, three to four years kind of horizons, and how is management really looking at that?

In addition of the questions which I have already sent, you know. So first one is if you can give some color on what is the size of consumable sales, say, for the parent globally. So they have close to 2 billion euros, in sales for the paper division. When it comes to the consumable piece, what is their scale, and what kind of a share they have globally, both on Voith paper machines and Non-Voith paper machines globally. So if you can give some color on that.

In terms of the market, while we have been traditionally focused on the paper segment in last three years, I think we have been making some inroads in the non-paper segment as well for felts. So how is the market split, between paper, non-paper indicatively, either globally or in India? Similarly the applications whether be it press fabric or dryer fabric or forming fabrics, and specialty felts. And if we, have to better understand the market structure in India between MNC players like Valmet, Voith, and then other local players and Imports.

Then how is the market structured and who are our competitors? So that is another. A few more questions I had was, you see in the paper segment, right, what I really want to understand, we've been talking about an increase in RPT and we've been seeing some traction on the exports to group companies. So what is specifically parent's expectations from our company, say over next four to five years, and what role do you think Voith India entity can play for their global business?

So will it be positioned as a major sourcing destination for global market, or you think it will largely be focused on Indian market with a very opportunistic limited export play? And when it comes to awarding business to the India entity, what factors or what considerations the group entity would be looking at, for existing or new product lines? And other than that, in paper, I just had one more question. There is a regulation which is coming in 2027. I think it's been delayed a couple of times, but there is a regulation by CPCB and also by AFR, on paper industry, which, among other things, asks for tighter effluent and tighter water consumption, and also better recycle fiber share. So how do you think does it affect our customers and how do you think it will affect our business? So if you can give some color.

And for the non-paper business, other than exports, for the non-paper business we talked about felts for fiber cement sheet making, and also for the high-tech technical textiles,

what is our play? So if you can give some color, how are we approaching it? Because other than Brazil, India is also a very large market for roofing products where fiber cement sheets and, all those things are used.

So, if you can give some color, how are we seeing this non-paper business playing out for us? Will it be global play, or will it be for India play. How is Voith globally positioned in non-paper? Who are our competitors? And similarly in terms of replacement cycle in this business?

And last is again for non-paper. See we talked about opportunities available in non-paper, especially high-tech technical post-PLI led investment. So can you elaborate what applications and segments are this? And last is on the cash, what are plans for that and capex plans for next two to three years? I have also sent other questions in the mail, so if you can answer all of them one by one in detail. Thank you.

Mr. Deepak Behl: Thank you, Mr. Kacharia. Moderator, please unmute Mr. Chetan Chadha from Delhi.

Moderator: Chetan ji, please ask your query.

Mr. Chetan Chadha: Hello, can you hear me, sir?

Mr. Deepak Behl: Yes.

Mr. Chetan Chadha: *Sabse pehle toh main Martin ji, aapka bahut-bahut swagat karunga ki itne saalon mein aapne ye pehli VC AGM hai, jismein aapne join kiya, aur shareholders ko aapne darshan diye hain. Iske liye main aapka bahut-bahut dhanyavaad karunga ki VC model mai kam se kam aap aaye aur aapne shareholders ko sambodhan kiya, jabki physical meeting mein toh aapne kabhi humein darshan nahi diye.*

Hum toh aapke saath kaafi samay se jude hue hain aur aapki physical AGM bhi every year join karte hain. Aur hamare Deepak Behl ji, jo naye Company Secretary aaye hain, inka bhi main swagat karunga, kyunki hamari Gugliani ji ab chale gaye hain aur Deepak ji ne hamara karye bhar shali sambhali hai, toh inka main swagat karunga.

Sabse pehle sir, dekha jaaye toh last financial year ke andar share price ko kaafi nai oonchaiyan dekhne ko mili hain. Jo share last year ₹2026 ke aas-paas trade kar raha tha, abhi ₹1,490 par aa gaya hai aur low ₹1350 ka lagaya hai, toh isse shareholders mein kaafi khushi aur utsaah ka mahaul hai.

Revenues achhe rahe hain, lekin sir EPS jo hai, jo shareholder ki hamari EPS rahi, woh almost almost ₹95 per share ki EPS hai hamari. Aur share ka dividend jo hai, aapne diya 100%, ₹10. Sir, ye shareholders ke saath bahut hi zyada na-insaafi hai, mere hisaab se, ki ₹95 ki EPS ke upar bhi company ka board ek standard dividend jo company ka kam se kam shareholder/stakeholder hai, use kam se kam as a part of being a family return ke taur par kam se kam 30-40% profitability basis dena chahiye tha.

Aapko kam se kam ₹30-40 per share ka dividend jot ha shareholders mein distribute karna chahiye tha.

Jahan tak revenues ki baat rahi, last year ke muqaable ₹1,902 million se badhkar ₹2,090 million rahi hai, yaani ₹190 million ka zada raha hai. Aur CSR ke upar bhi humne kaafi achha pesa spend kiya hai, ₹492 million ka. Ye bhi ek achhi vo rehta hai.

Lekin jab hum CSR activity par spending karte hain to uski hamne jo hum apni meeting karte hain, uske liye board jab ek hi meeting regularize karta hai aur ek hi meeting mein saara amount spend karke alag-alag funds ko distribute kar deta hai, toh kya uske upar hum apni aur bhi kuch nigrani karte hain ki jin jin firms ko hum ye paisa distribute kar rahe hain, woh sahi maayne mein jis cheez ke liye kharch kiya ja raha hai, wahan tak pahunch bhi pa raha hai ya kitaabon mein spend hokar khatam ho jaata hai?

Kyunki Martin ji bhi meeting mein hamare saath hain, lekin woh bhi CSR meeting ko kabhi attend nahi kar paa rahe hain, unfortunately. Toh unka bhi is par vision rehna chahiye, kyunki woh hamare Chairman hain.

Sir, jahan tak aur shareholders ne bataya tha ki minority shareholders ki value ko create karne ke liye management ne really mein koi bhi aisa khaas kadam nahi uthaya, jiske liye management ko sochna chahiye. Ki Hamare paas cash hard kaafi spend mein pada hua hai aur dekha jaaye toh abhi hum itni healthy position mein hone ke liye ye share ka price ₹3,000 ke aas-paas hota, yadi aapne ek ke upar do shares bonus ke taur par diye hote.

Kyunki hamari equity bahut hi chhoti hai aur elaborate ki ja sakti hai. Agar 1:2 ka bonus diya hota, toh jo unnecessary uncertain unnecessary ka cash pada hua hai, woh bhi evaluate ho jaata aur hamari capital thodi badh jaati. Aur uska shareholder ko, jo long-term time se benefit nahi mila hai, woh mil jaata. ye sochne vali baat h iska benefit mangement ko hi hone vala h kyuki sabse zada stake to management k paas hi h, sir aapne board ko 5-9 lakh rupay sitting fees k toor pr diye hain jiiska shareholder ko bohot Khushi hoti hai (inaudible due to poor connection at the end of shareholder).

Mr. Deepak Behl: Mr. Chaddha your connection is not stable.

Mr. Chetan Chadha: Can you hear me clearly?

Mr. Deepak Behl: No.

Mr. Chetan Chadha: Hello. Hello, hello (voice continues to break). can you hear me clearly? Please confirm that.

Mr. Deepak Behl: Yes.

Mr. Chetan Chadha: Hello. Ham pehle Jo meeting krte the physical mai usme as a gesture aap shareholderon ka dhyan kr lete the. Abhi VC model pr chalri h. Kamse kam hybrid model ki meeting rakhen jisme vc or physical dono model pr shareholder ko join krne ka moka mile aapse logon se roobaroo hone ka moka milsake mana ki aap bhar se join kr rahe hain, to aap hybrid mai join kre (inaudible due to poor connection at the end of shareholder)

technology ko forwarded apne sath leke chalna hoga hamlog baat krre hain ai ki or chalrahe hain purane zamane pr vc ko leke chlte rahenge. Covid scenario khatam ho

chuka h to Covid ki baaten purani hogai hain . Sir jesa ki hame total stakeholder siraf 5234 five thousand two hundred thirty four stakeholders hain, jisme se minority shareholders jo hain 5060 yani five thousand sixty shareholder jo hain vo minority hain sirf 200 shareholder bhi nhi hain jo (inaudible due to poor connection at the end of shareholder) expansion ke bare mai sochna hai, isme shareholder ko bohot benefit hai.

Jiske bare mai abhi tak management ne nahi socha h jinhe sochne ki bohot zarurat hai. Jahan tak hamari freehold land padi hui hai jiske valuation ham 1.80 million hi lgaten hain. Jo Porritts & Spencer (Asia) k naam pr hai. usko agar ham aaj ki valuation k hisab se kisi builder k sath collaboration krke bhi agar ham flat bana kr bhi bechenge na to sir (voice breaks).

Moderator: Mr. Shareholder, I request you to please complete your queries within the time limit sir please.

Mr. Chetan Chadha: Okay sir (voice breaks) vaise bhi inka time bohot precious hai. Theek hai koi baat nhi. Baki ki file mein Mr. Deepak ji ko bhej dunga, mujhe pura yakeen hai ki vo thoda thoda krke hame jawab zarur denge. Lekin sir stakeholder ki minority ke bare mai soche ki unko company se koi reward nhi mila h ye sochne ki baat hai thank you sir thank you so much to disturb you.

Mr. Deepak Behl: Thank you Mr. Chaddha, Moderator, please unmute Mr. Manjeet Singh from Delhi.

Moderator: Sir, currently he is not available in the meeting.

Mr. Deepak Behl: Can you check for Sandeep Kumar Jain again?

Moderator: Sure, sir. Mr. Sandeep, we request you kindly ask your query. Sir, no response from their side sir.

Mr. Deepak Behl: That's all the speaker shareholders we have today.
Sir, you are not audible. You are on mute.

Mr. R. Krishna Kumar: Mr. Chairman with your consent, may I try to answer some of the queries which are not business sensitive?

Mr. Martin Bassmann: Yes, sure. Thank you very much for that.

Mr. R. Krishna Kumar: All the speaker shareholders, thank you very much for the appreciation to the team who all has mentioned that, generally thanking all of you. Thanks for all your continued, support, and we hope that this will continue in the years to come.

And Mr. Manoj Bagadia, he asked about the industry size. Actually, Voith globally is serving to the end-to-end of paper industry. May be from recycled fiber preparation until the finishing. Whereas, your entity is only catering to the Paper Machine Clothing. So Indian market size if I talk about this segment Fabrics & Rolls, we are about 70 to 75 million Euros is the overall market size, out of which we serve around 20, out of which we

are not present in the roll segment, even though, in Voith this vertical is Fabrics and Rolls systems. So that is one area in which we are not present. And globally, this segment overall is around 2.8 billion is the market size. Of course, it is fluctuating because if capacities are getting closed down in some markets, then the demand will be reduced. And if capacities are getting shifted from region to region, there will be demand shift also.

Mr. Manoj Bhagadia asked about competition, from domestic as well as import. However, in the paper machine clothing segment, our competition is basically with domestic players. The global players which we are competing globally, are not physically present with the infrastructure in India. Some are present with their agency network, but they are not giving complete solutions in a timely manner to the end customers. So now our market is not only for products. We need to deliver services attached to it. So we need to optimize the end customers' operations with our knowledge. So that is also very much valuable more than the product pricing.

And somehow that is the differentiation we bring with our domestic competitor because they are simply paper machine fabrics suppliers. We are end-to-end paper making solution supplier. So we can draw in some of the expertise of the global team and then deliver a holistic solution to the customer, which is a very good differentiator. And situation in Europe, significant challenges. Of course, every market has its challenges. But there the price quality is different. As I mentioned, product pricing is not only product, also the service attached to it. So in those developed markets, the service is at a premium. So we are not competing with service, because we don't have own employee network. So normally in other regions.

In Voith we have divided into six regions, which is Europe, Middle East, Africa, (EMEA), North America, South America, China, Asia Pacific, and India. And we are predominantly catering to the Indian market, which is India along with the South Asian countries. There we are directly present not only with our products but also with our services through our own employee network. Whereas, when we are attempting to serve other markets, we are going through our established network of Voith within those regions. That is why we always come and request you to approve the related party transactions, because, what Voith is looking for from the Indian market, if we are delivering, it should be first time right, the right quality, and repeatability of the product.

Because if we damage the reputation globally, it is not easy to retrieve. So that is the one precondition our group has on us, that whatever we produce and serve, it should be the right quality and first time right. Then, if we are offering a price advantage, the group per se has no such saying against it, but the call is on the region concerned. If North America is looking for a product, it is North American team's decision that which product to be sourced from which manufacturing location. If we get a test order, if we are meeting their requirement, it can continue. That is why you can see that the export volumes are increasing because what we deliver to the North American market are repeated, customers are trusting our quality, plus the service rendered by the North American team locally. This is what is absolutely crucial for growing these volumes. So India is the best cost country for Voith. As and when we are equipped with the more capacities, we can grow in those segments together with the concerned region, okay.

Inorganic opportunities, time to time it comes up for the board's evaluation, and board evaluated and take an appropriate decision. Currently nothing is on the table. What are we planning to do with cash? We fully understand, that all of you will be happy to get the cash in your hand rather than keeping in the bank account. But we are a very capital intensive industry. Our major product is Press Felt, and one of the crucial elements of a Press Felt manufacturing is the needling process. And needling technology, the OEMs globally are not many. So we are dependent on certain players which are not coming economical in the current setup. If one established value addition machine pumps off or is having a problem, we need to replace. The money in bank is not that good enough.

That is why we are conservative, that we have a policy to have zero debt. That is how we are managing. So in case money is needed, it is easily available without going into the market or to the bank. Because then we have to follow their demands, not our strategy. That is the basic reason. Of course the board will look into consistent payout of dividend, and if we can increase in time to come, that will also be evaluated by the board.

R&D. Yes. For the Indian market, we are adapting our products, suiting our customer demand. Because all the machines are not same. Some machines are high speed, some are very slow speed. Some are making very good raw material use, so that the efficiencies are very good. Some are using very bad raw materials, still they can convert into lower strata of the product demands in the market. So depending on the mix of the end use, our fabric product needs to be adapted. This is done locally, but globally we have at Head quarters as well as through major sites. We have R&D teams, and they develop new products, and if it is relevant for the market, we get all the know-how seamlessly through our internal network.

Deficit in forex. Yes, some of the raw material we don't have a local source. Still we are dependent on foreign countries. So, forex outgo is unavoidable. But with the increase in export, we are earning also forex. So kind of a natural hedging is possible. But in the time to come, the export volume is expected to increase, hence the forex earning is also expected to increase. But our dependency on foreign players for raw material will continue. So forex outgo, we cannot limit, okay.

Annual Report, community creating value. Yes, all the CSR, maybe I am combining with another person's query. All the CSR, it is not that we only spend. We also verify the end use application, whether the end users are getting benefited as promised. It is not that only the year of donation we review. We also review maybe six months later or one year later whether it is getting used for the society at large. Then only they will further qualify for any other future projects. So it is not that we are donating and forgetting it. We are actively involved with all those stakeholders.

Then related party transaction I already told, because all the other major regions we have established teams. So we are not directly selling to end customers. We are going through the network. So it is a related party, we need your approval for that. Yes. The cost of production in India, we have an advantage and arbitrage, but all the products I mentioned that it has to be first time right, because these networks are well established,

we cannot damage it. So we take a very calculated approach, which is not a lock, stock and barrel. We shift a product. We do a test piece and then we grow it.

How many machines are from Voith in India. There are many machines. Voith is one of the largest OEM having market share in India, but that is being done by our sister concern, headquartered in Kolkata for the Indian market. We have many machines. All the graphic paper machines are from us. All the major Board and Packaging machines are delivered by us. Of course, we do not have a brown-grade, that means a packaging-grade machine of global standard. These are all second-end machines or local made. But some of the second hand machines also Voith is the OEM in those markets. If a US machine is coming into India as a second hand, maybe the original delivery was from Voith. So we have a large market share from the machine point of view.

But the products part we deliver, it doesn't matter whether it is a Voith machine or a local competitor. We need to assess the machine requirement or the product requirement. Our team, application team, selects the right material and we deliver. And first time if we are right, customers trust us and we continue the business relationship. That is how it is. So it doesn't matter who is the OEM. Of course, if it is a Voith machine, it is of certain standard, so we can predict the performance better, than if it is a local make.

And specialty machinery. Yes, there are many specialty machines in demand in the country, whether it is Techo, whether it is coming again, whether it is some other machine or tissue. But these machines are not high-speed. These machines are maybe medium-speed machines, but it is not that challenging from a product point of view. So, since it is slow-speed machine, the life of the product is also maybe higher. So from a volume perspective, these are not that great to have a volume growth. If high-speed machines, challenging machines are coming into the market, that will give us more requirement of our product in the market.

And Mr. Viraj Kacharia, appreciate your question. Mostly, all of these, I think you are doing a great analysis of the market, but some, please allow me, I will not be responding because this is business sensitive. And for example, what is management planning and doing to improve the ROCE? yes, since we keep the cash in hand, it is pulling down the metric of ROCE as a percentage, but year on year you can see that we are optimizing, we are improving. This is also in case we are putting in a new machine using the cash, it will add to the profit as well as to improve the ROCE, but it is not that we cannot do it in one year itself. Over a period of time, we will do it.

Payout ratio, return on equity. Yes, we have given 100%. You are right, Rs.95 we earn we only gave 10. The reason I have already explained. Then, paper vs non-paper yeah, we have predominantly, historically we started in 1968, we are catering to the paper industry. That is our line share of the market share is from that industry. Of course, similar products or similar value chain of products can be used in other industries related, roofing is one of that, you have rightly pointed out, we are increasing our market. But as a sales turnover ratio, maybe 90:10 or 88:12, this is the range. 88% or 89% is from paper industry, 10, 11 or 12% is from other industries, currently. But this is expected to grow not only in India, but also in other parts of the world. That is why we are setting up an

industrial loom, which is in capex, in progress. So by next year, this will also be serving the global markets.

Then, are there any applications in Voith India portfolio where it is not present? Voith, yes, we are part of the Fabrics and Rolls Systems vertical, where President & CEO is our Chairman. So he has a global view, he can add if needed. Currently we are not present in the rolls vertical at all. This is one opportunity maybe in years to come we can evaluate. But we are fully present, we are the only, as of today, the full line supplier in the Fabrics world within the country.

Then, in existing segments applications how frequent is the technology changing, it is not. Of course, it is not any kind of, it is an incremental change in the Paper Machine Clothing industry. It is not yet a kind of change which is disruptive. Even though globally we are working on certain disruptive technology, once it is tested and proven, we will also get exposure to that, currently these are incremental changes which we are locally capable of.

Does the replacement cycle get affected with each technology change, of course. As I mentioned, if it is a high-speed machine, the number of revolutions a product takes is more in a given same period of time compared with a slow-speed machine. So it all depends on the speed and the application of the end user. So accordingly, usage time changes. Some products few weeks, some products few months, some product a year; is also possible.

If we have to better understand the market structure, especially for consumables and competitive advantage for Voith fabrics in India.

How is the market structure between MNC players Voith Valmet and all. I can talk about ourselves. We have a very good market share in our A-grade product, we have more than 50%. On the roofing product also, we have more than 60%. Our market share is very good. And the names that you mentioned, they are not actually present in the market as of date. But if they come, of course they might also have technology, but we do not worry about competition. We need to give the right products to our customers, customers will come back to us.

What is the organized and unorganized mix for industry in consumables, generally Paper Machine Clothing is organized. If I take the OEM or original product manufacturers, they are all organized. And the Indian market, the competitors are all listed basically. Only unorganized I can tell if agents are present. If agents are representing a global player and they are acting in a local market, piece-to-piece basis if they are damaging the market, I can call them unorganized. But they are not our real competition our real competition is established players domestic.

Then what are the major factors customers look for before deciding? Of course, the product quality, repeatability, efficiency and the effectiveness of the product. So, all combination. So it is not that one product we sell to a specific machine cannot be or may not be repeated in the next machine in the same hall or next building, because that might be using different chemical, might be using different raw material, might be using a

different machine concept or even speed. So everything has an influence. That is why we talk about customization because there was a question on customization.

Our contracts priced, even though you didn't ask about it in live, but it was in the printout of what you asked in the email. So certain products are based on kilos. Certain products are based on the surface area. Depends and that is the industry norm. That is how we are pricing it too. But that is about unit rate, but if the dimensions differ accordingly the overall piece rate would be different.

Market share I would like to refrain, but I mentioned about the last product, more than 50, roofing product more than 60, is our market share. Of course, Forming we are a late entrant locally even though globally we are an established player locally we started 18-19, or even 20. We faced COVID in the first year, but then we captured and mid-teens, not early teens, mid-teens, is our market share which is expected to grow.

What role Servicing plays, absolutely great because without service our customers will not come back to us. So, we need to not only for the specific product even in the allied areas. If we can optimize together with our sister concerns, globally and locally, we are the preferred partner. Otherwise, they have other options.

Exports. Exports, five to seven years. Yes, we started very late because in all these global markets, Voith has its own presence so if it is becoming cost wise unattractive, then only Voith needs to look for options. So, if Voith is looking for options, India is one of the destinations where these challenges maybe allocated in the future. And we as a team are an extended arm of the global team and we look for such opportunities and understand the demands and delivery it that is how it is.

What factors parent considers before awarding business or new projects to the India subsidiary? In the beginning itself to the other Mr. Manoj Bagadia's question I have already answered that, product quality, first time right, repeatability. This is what our group is looking for.

FTA with EU how does that change the competitive position? Yes, even though we hurriedly signed during the Republic Day, FTA with Europe, all the member countries are yet to approve the same in their own respective parliaments, so it will take some time. Once the details are available, we need to see which all existing imports are covered, whether Fabric is one of it. So we expect a market opening in those countries for India, not the other way around because we are cost-wise already competitive. So we don't worry about future challenges because of this FTA. It is only a public opportunity.

On paper segment, I already told, what we are serving is roofing industry, already plus some allied industry. Roofing industry of India and roofing industry of North America are totally different. They use a different product. We also have solutions to those products. So we will be starting with this new loom from the next financial year, we will be having a growth in roofing industry of North America.

The regulations, how do regulations CPCB, of course this is going to influence our end customers. If any regulations are affecting the end customers positively, it will also affect

us positively, if it is going to affect negatively, we also will face challenges. But this less Resource utilization, less effluent giving out to the environment, these are all Indian industries also believing in it, and we want to be more green. That means new investment has to take place, and Voith offers a solution to this, Whether it is your company or to our sister company. These challenges are an opportunity, and customers need to come to us for taking those solutions.

How many players in the consumable space have similar offerings? I cannot tell it is similar. From a product category they might be selling the same product, but volume-wise we are, in the market, we are the leaders. And the names what you have mentioned, they are not present directly.

Capex in the last four years, yes, we have spent around 100 crores, and maybe 50% is to improving the de-bottlenecking of the existing product. Maybe a certain percentage we have spent on green energy generation solar, which is giving us great results. And we are also invested into new loom for Forming, this is terms of capex. In future also, we'll look for the right opportunities and take Board approval for our other investments.

And order book, very healthy. Yes, appreciate your support and taking note of it, because customers, even if they are facing a difficult time, we need to be ahead of our competition, so they prefer us because we are giving the reliable product,

So Viraj Kacharia most of the answers I have given point by point, but something if I have left out, it is only because those are business sensitive. I don't want to give it out to some other players.

As for Chetan Chadha, thank you. Even though you spoke in Hindi maybe the chairman, might have missed it we will have to transcribe and translate it later on for him. Appreciate your positive statements on the secretarial team, and yes generally you were appreciative of the results, only point where we need to improve is cash utilization and cash distribution, which is relevant and we will work on it. But we cannot simply, you know, give out cash because we need to come back in case there is a value addition required in the manufacturing area.

Deepak, did I miss any major point?

Mr. Deepak Behl: No sir all covered If we miss something we will E-mail them.

Mr. R. Krishna Kumar: Okay. So, chairman, if you would like to add something, you may do that. Otherwise, I propose a vote of thanks to the Chair, as well as all the other directors, our auditors, CFO, CS, as well as to all the shareholders who are longstanding with us and supporting us in each and every step. Thank you very much.

Mr. Martin Bassmann: Thank you, Krishna, for the answering. I think you answered properly, and in the sense of all of us. Thank you very much for that one, and for your participation in this virtual meeting.

I want to thank you everyone here for this virtual annual meeting participation. Members attending the AGM today, who have not already cast their vote by remote e-voting, may cast their vote on e-voting platform now.

The platform for e-voting shall remain open for further 15 minutes after conclusion of this AGM. The board of directors has appointed M/s P.C. Jain & Co., practicing company secretaries, as the scrutinizer to compile the result of the vote cast by remote e-voting as well as votes by e-voting during this AGM. Further, I hereby individually authorize the Company Secretary, Mr. Deepak Behl, to receive the scrutinizer's report and declare the results of voting in accordance with the requirements of the applicable statutory provisions in this regard.

On behalf of the Board of Directors, I convey our sincere thanks to all Members for attending and participating in this meeting. Stay healthy and stay safe. I hereby declare the Proceedings as closed.

Thank you very much.

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