

**61st Annual General Meeting of the Members held on Thursday, 21st July 2022  
through Video Conferencing**

**Board of Directors**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>
1.	Arvind Goenka	Non-Executive Director
2.	Akshat Goenka	Managing Director
3.	Om Prakash Dubey	Independent Director (Chairman of Audit Committee, Nomination & Remuneration Committee & Stakeholders Relationship Committee)
4.	Arti Kant	Independent Director

**Transcript**

- **Mr. Rajib Gope** – Good Morning everyone, I am Rajib Kumar Gope, Company Secretary. A very warm welcome to everyone to the 61st AGM of Duncan Engineering Limited. I have great pleasure in introducing my colleagues present in the meeting. Mr. Kamal Saria- Chief Financial Officer, Mr. Shrikant Rao- Head- Sales & Marketing, Mr. Fernandez Arockiaraj- Head-Operations.
- As you are aware, the company has provided remote e-voting facility to the shareholders. The shareholders who have not cast their vote on the resolutions through remote e-voting shall be eligible to vote through e-voting system during the AGM. Voting will be disabled after 15 minutes from the conclusion of the meeting. Later on in the meeting, the Chairman will take questions on Annual Report & accounts from the shareholders. Only speakers who have registered themselves will be allowed to speak or ask questions.
- Now, we are coming to appointment of chairman of the meeting. In the absence of Mr. J.P. Goenka, Chairman of the Board, who could not attend the Annual General Meeting due to personal reasons, the Directors have elected Mr. Arvind Goenka, as the Chairman and Mr. O.P. Dubey as Vice Chairman for the Meeting. In case of any connectivity issue at the end of Mr. Arvind Goenka, Mr. O P Dubey will act as Chairman of the Meeting. Now I request Mr. Arvind Goenka to commence the proceedings of the Meeting. The quorum is in place.
- **Mr. Arvind Goenka** – Good Morning ladies and Gentleman! It gives me great pleasure to welcome you to the 61st Annual General Meeting of Duncan Engineering Limited. This Annual General Meeting being conducted through Video Conferencing(VC)/ other Audio Visual Means (OAVM) is in compliance with the Circulars issued by the Ministry of Corporate affairs(MCA) and Securities Exchange Board of India(SEBI).

- As requisite quorum is present, I call the meeting to order. I would like to introduce to the members, my colleagues in the Board of Duncan Engineering Ltd. Mr. Akshat Goenka, Mr. Om Prakash Dubey, Mrs. Arti Kant. The representatives of our Statutory and Secretarial Auditor are also present in the meeting.
  - The Annual Report for the financial year 2021-22 is already been circulated electronically to the members of the Company. With your permission, I shall take them as read. The Independent Auditor's Report on the Financial Statements and Secretarial Audit Report for the year ended 31st March 2022 don't contain any qualification or adverse remarks. Accordingly, they are not required to be read as provided in the Companies Act, 2013. The Register of Contracts in which Directors are interested, Register of Directors and key managerial personnel and their shareholding are available electronically for inspection by the members. Before I put matter / resolutions to vote, I would request the shareholders for any questions
  - **Moderator** – Thank you sir. Our first speaker for the event is Mr. Amit Bagaria.
  - **Mr. Amit Bagaria** – Good morning all. Am I audible?
  - **Moderator** – Yes you are.
  - **Mr. Amit Bagaria** – Thank you. Good morning all. Thank you to the management for a very successful turnaround of the company over the last 5- 6 years. From a loss of 6-7 crores at a net level, we have come to a profit of 6-7 crores and I think it is commendable. And we have not, we have actually made the balance sheet even more stronger during this period, which is commendable. I have two set of questions. One is on the bookkeeping side and other is on the strategic side.
  - On the bookkeeping side, a couple of question is like, what is our current order book? And our planned capacity utilization? And what is the capex for the current year and the next year after that? On the strategic side I have 2-3 questions. One is the theme of the annual report that I got is about expanding the product basket and customization, which is the future as guided. So, if you can share some details about the product expanded product basket, how many products do we have? And what are the roadmap for the next 2-3 years on the product basket? Are we looking at any kind of a niche industry? Or within the common industry of steel and power, are we looking at niche products. Same is towards the customization. What percentage of our current sales come from customized products and what is a target going forward? And as expected an ideal customized product, should give us a higher margins. So, if you can share some highlights that we are at 55 odd crore turnover this year. By when do we expect a 100 crore turnover? And as the sales inches up does the margin keep increasing because of the new product basket and customization? And what is the ideal expected margin that we're looking at? And also on the export side, what are the future targets. That's it from my side. Thank you so much.
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- **Mr. Akshat Goenka** – All very good questions. We'll take it all together after all the questions have been asked, please.
- **Moderator** – Thank you sir. Our next is speaker for the event is. Mr. Manoj Kumar Gupta. Mr. Manoj, kindly enable your video and ask your question.
- **Mr. Manoj Kumar Gupta** – Good morning respected Chairman, Board of Directors, fellow shareholders. My name is Manoj Kumar Gupta. I'm equity shareholder of Duncan Engineering Limited. First of all, I thank you, your team for their hard efforts to turn the company in profitability and make the balance sheet strong after 6 years. And I thank the Company Secretary and his team that has helped us to join this meeting through VC. And sir what impact will come through inflation? Inflation has gone up highly. So how you face this challenge of inflation? Everything, raw material has gone up by 20% to 30%. So how you face this challenge for inflation? And some question has already recovered by. Mr. Bagaria.
- And sir order book he has already covered, future plan with capex with plant utilization. Sir have you any plan to launch some new products under the company? And sir or any plan to invest in the Brownfield or Greenfield projects? And sir how you will reward to the investors. Because last year you have celebrate the 60 years, you have forgot the investors to rewards. So how you will reward in the near future to the investors? And how you will reduce the disputed cases and unclaimed dividend before you send the dividend to the Central Government? Send a notice to the shareholders so that they can claim their dividend. And what's your prospect for the next 3 to 4 years of the company's products? I strongly support all the resolutions and convey our best wishes to our chairman and we always pray to God for his healthy and prosperous, safe, long life. Thank you.
- **Moderator** – Thank you, sir. Our next speaker for the event is Mr. Keshav Garg.
- **Mr. Keshav Garg** – Sir I hope my voice is audible.
- **Moderator** – Yeah, you are audible. Kindly enable your video and ask your question, please.
- **Mr. Keshav Garg** – Yes. Sir so I wanted to understand what is the outlook for the current year in terms of top line as well as operating margins and bottom line. Sir can we sustain our 4th quarter of last year's revenue of around 17 crores and operating margin of 21% and EBIDTA of 3.5 crore going forward on a quarterly basis, or was this a one of kind of margin and maybe we got some profitable non-recurring orders. And so what will be the expected steady state operating margin that we can sustain going forward? Sir, how much revenue can we generate at full capacity? And how many

shifts are we running at currently? And how many shifts can we run ideally, if provided demand is there?

- And, sir, has there been any entry or exit of any new competitor in our product line? Sir, who would be our major competitors and what is our market share? Sir any progress on new product development that you would like to share with us? Sir, do you have any plans to expand your product range? And sir, is there any threat of us replacement by substitute products? And sir, what are our export prospects? And sir, I think we were planning to hire a new CEO a few years back, I had attended the AGM. Any success over there? And sir finally, any plans to start paying dividend or share? Thank you very much.
- **Mr. Akshat Goenka** – Thank you. I believe there is one more speaker, right?
- **Moderator** – Yeah. Our last speaker for the event is Mr. Dinesh Kotecha. Dinesh sir kindly enable your video and ask your question.
- **Mr. Dinesh Kotecha** – Good morning sir to all of you. Mr. Goenka I want to speak to you. Sir, we are a subsidiary of OCCL. In that case, our performance should also be in line with OCCL. And the price, the share price also should be in line with OCCL. Now, I was just looking at the, this copy, which I received on the net. Because the physical copy I have demanded and the secretary has said that he had sent me, but I have not yet received it maybe because of the heavy rains, some waterlogging was there at the couriers' place, so they could not deliver. And because it's being wet, they will not deliver also. So I request you to send another copy to me, sir.
- Sir, my question was that in March, last quarter, March 22 our margins were 15.11% That was the highest in the 4 quarters. And our overall net profit margin came down to 11.22%. So, can I expect the 4th quarter results to be a replica for the full year for 22-23? That is my first question. And secondly, somebody has so many questions have been asked by the earlier because what I have noted down but I will not repeat it. But I just want to know, you know, that in the current year, based on the last quarter results, I find that we can easily reach sales of 75, 70 to 75 crore in between that for the full year. And next year we can jump to 100 crores. I mean, you can say, yes or no, I'll be happy with that.
- Sir I would like to know what feedback and suggestions were received during the previous and the current year, which are still being implemented for better results. Internal feedbacks, external feedbacks from the customers about the products, quality, etc., The delivery schedule that we must have missed or whatever, whatever internal noting you must have made of this areas where you have still to make some improvement. If you can list that, I'll be very happy and what we are doing about it?

- Sir a new product development, I was seeing that PPT presentation before the AGM, which was highlighted in that slide, but I missed it. Can you send one copy to me? So that I can keep it with me and I can go through it. Sir, I want a list of top 10 public shareholders. Who are non-promoters and non-institutional. Because from that we know that who are the public top 10 shareholder, who have got terrific response in the company and they've invested in the company. That gives us a confidence to the small shareholders to also invest based on the quality, on the integrity of the top 10 shareholders who invested in your company. Sir that will give us enough strength for us to remain invested, or buy more or take some decisions of holding the shares or not holding the shares in the company.
- The growth has been tremendous for the last 5 years. The loss has been recovered every year we are making profits, and we are making EPS to the extent of 16 rupees 90 paise this year. But again, I mean, why we are not starting paying dividends. I mean, you can do one thing if you want. The promoters may not take the dividends, but give it to the shareholders. Like, some of the Reliance companies were doing earlier. You can give the non-promoters the dividends in a good rate.
- And sir again, I would not request you to go for a split. I'm against split. Because split means nothing, but cutting the cake into 5 parts or 10 parts or 1 part or 2 parts. Now, that is not the way. On the contrary you go on increasing your net worth, increasing every year and see to it that some dividends, you must start now with some dividend. Its high time now because we are in the sixtieth year. And in the sixtieth year the turnover hundred crores, I'm sorry, fifty-five, fifty-six crores is too less turnover for sixty years old company. That means I mean we are not grown at all it seems. Sixty years means at least you must seek a target of five hundred crores sir. And that should be the vision.
- Secondly is that I want to ask you one more question. In Ranjangaon we have about twenty thousand twenty-five thousand square meter of area. We have got a building there. Now for further expansion have we located any other area or in the same place we will do the expansion? Have you got sufficient space for expansion that is what I want to know. Also sir I would like to know, what are the companies in the first four months, what have you observed in the first four months? What are the weaknesses and has any unexpected weaknesses not mentioned in the balance sheet that come up in the last four months? What are the threats that you are seeing from competition? Somebody's already said about the expansion of substitute threats. You know I mean that these are areas again you are already a master. Masterly you have recovered from the losses come back to the profits. With a good profit area, with a good sales area. But you know you are all masters in your field but still you know asking these questions is satisfactory. You answering our questions you know satisfies us that yes the management is on the right track and we get more confidence from the response that you give it to us.

- Sir with this I wish you all the best with a request to send me a physical copy again because of the heavy rains in Bombay continuously heavy rains continuously for ten days. My courier office he has phone me that all the balance sheet whatever has come it is completely drenched as water has collected on the ground floor till 7-8 feet. So please send me a copy again Mr. Gope. so I'll be very thankful for that.
- And I would like to say that day before yesterday Persistent had a physical meeting in Pune. And on first of August, Kalyani Steel is also going to hold a physical meeting so don't avoid the shareholders by keeping this VC meeting and giving excuse of SEBI and all that. I've attended a physical meeting. I saw only 25 to 30 people attending the meeting. You can easily hold the meetings with patience and with disciplines. So don't, sir see to it that physical meetings are held. These type of meetings are annoying because we have to, you know, in the early morning, there are and sometimes there are not lights in India in Pune in Calcutta due to power shedding of 6-7 hours. And Mr. Rajib also told me that you're allocated some time so please, you can talk on the meeting on speaker. So that is why, I would call you.
- Sir, wish you all the best, wishing the good health for all the employees of the company, and see to it that we are on the right track of OCCL. Our work should be like OCCL; our growth should be like OCCL. Because we are ultimately, a subsidiary of OCCL. And with this you know the learned management and council that you have, got the team, which you got, I did not advise anything. I'm not in a position to advise anything. I just want better response and better results so that this year presence will reflect in that better results. Thank you very much and thanks. I'm expecting answers for all my questions. Thank you very much.
- **Moderator** – Thank you, sir. So with this, we come to an end of the speaker section. You may proceed with the agenda items.
- **Mr. Akshat Goenka** – Okay, so thank you to everybody for joining and thank you for the kind words and well wishes. And special thanks for supporting us through the years when times were not so good. And with all your support, we have managed to come out. I think all the questions and queries that you guys have, are all on the right track. Because now we have to move into a growth phase. Whatever has happened, has happened. Now it's time to go forward and grow and we will certainly do that with all your support. I'll take some of the strategic and higher level queries that were asked. And after that, I'll hand over to Shrikant to take care of the balance questions.
- One, consistent theme is around the future performance and future expectations. We are looking at hitting 100 crore plus turnover in the next three years at a EBITA of at least 15%. With regards to this quarter four comparison, while yes quarter four can be taken as an indication. I would urge you to not look at this business on a quarter on quarter basis, but rather on a yearly basis. Because the nature of this business is that sometimes you may be working on a project for a while, and then you may have a

lumpy sale in one quarter. So that could distort numbers. So we should look at it from an average basis. As far as this year is concerned, we are targeting 60 crores plus top line and again an EBITA margin of 15%.

- One more common theme was around shareholder returns and shareholder rewards. So, while we have come a long way in the last few years, as all of you acknowledge. It is important to note that we still haven't recovered all the losses that we have made. We still have a, we still have a carry forward losses, sitting on our books. Our net worth also has still not, you know, hit where it used to be. So that is one of the reasons for further conserving funds, and at least coming back to the peak level that the company used to be at. Apart from that, we are constantly on the lookout for growth opportunities, both organic as well as inorganic. We have capex plans as well as we're introducing some new products. We have recently bolstered the engineering team as well. So funds are going to be used in the growth of the company. Once we provide for all these things, we will certainly look at how we can do dividends as well and balance both issues, once all the old losses and networks, and everything has been recovered.
- As far as capacity utilization and execution of growth is concerned, at Ranjangaon we have plenty of empty space. That's point one. Even in the space that we are utilizing, we are only running one shift. Even that one shift is not close to full capacity. So, I think growing the company is not going to be an issue at all from a space perspective. It is more about products, the right supply chain and the end markets as well as the getting the right product and customer approvals. With that I'll hand over to Shrikant. Thank you.
- **Mr. Shrikant Rao** – Yeah good morning everybody. Dear shareholders I am happy to welcome you all to the 61st annual general meeting of our company. On behalf of Duncan team, I thank you for joining us today. And your presence is a testimony to your interest and support to the company. There are few questions, towards the business side, which I'm going to answer. So most of the question Mr. Akshat has already answered.
- So, the one question, which has been asked is, is there any exit or entry of the competition in our product line? So presently from last 3-4 years, there is no entry and exit of competence in that domain. Specifically, I'm saying, the word domain, which we operate in. So, we are specifically operating, or very strong when it comes to a domain of steel and power. When it comes to pneumatic in that segment specifically there is no entry or exit of new competition. And there was one question, ask the who are major competitors and what is our market share? So our major competitor today are Valmet, Aesco, Festo & SMC. These are 4 major companies who are top A companies. There are lots of C class competition also, which we don't like to compete with or that is a different domain which we don't want to operate in. So these are the major 4 competitions what we are coming in day by day.

- And coming to the market share. So, there are different verticals in the product line. When you say the pneumatic, it's a big subject to look at it, even in terms of an industry segment. But when we say for the specific domain where we operate, so we have around 45% market share today when it comes to domain of cement steel and power and specifically for the pneumatic products. Product line of like a pneumatic actuator and pneumatic actuator whether it is a linear actuator or rotary actuator and its corresponding accessories what we are manufacturing.
- You know we are planning for a new product and most of the products are at the fag end of its the development. Most of the products are under validation and certification as well. A lot of product what we manufacture has to go through a series of certification and testing by different third party agencies as well as government agencies as well. So, that is the more time on what we require because that certification stage is not in our control. So we have to depend on third party agencies. So when that certification is over, so we will officially launch a new product to the market specifically meant for the domain, which we are very strong today.
- There's one question been asked do we have any plan to expand our product range? Yes, we have. And most probably by Q3 or Q4 start we should be there with our new product line. So, for the subject of the threat, whether there are any threats for the substitute products, presently we had analysed the market and the technology, what we are working on. So presently threats from the substitute product is very negligible but looking at the horizon of next 5 to 8 years, slowly, most of the electrical may come. But the cheap like, you know, this is more cost benefit product what we are manufacturing. So, even for any industry to change the technology entirely, that will take, at least for new technology to come in into the process into the customer side will take at least 8 years and by changing that will take another five. So, at least 10 years, I think there is no threat for any substitute product coming in.
- Regarding export yes you know, we are bringing new products I just told earlier also we are going for a lot of certification which will help us to enter into different geographical areas. So once these certifications are over, we are trying to go for exports as well. So, if I'm missing any other question, I think I've covered most of the question.
- **Mr. Akshat Goenka** – There was one question around the CEO that somebody asked. So, no, we are not hunting for any kind of CEO. I think the team is doing well and we are happy to support the existing team for all our growth plans.
- **Mr. Shrikant Rao** – Right. that's all from my side.
- **Mr. Rajib Gope** – Now, I request the chairman to continue with the proceedings of the meeting.



- **Mr. Akshat Goenka** – I'll take this forward. Mrs. Shaswati Vaishnav, Practicing Company Secretary was appointed as scrutinizer in connection with the e-voting process. The results of e-Voting will be presented to the Chairman of the Meeting in a closed cover. The results of e-Voting will be announced on receipt of the Scrutinizers Report. E-voting results will be announced within forty-eight hours from the conclusion of AGM as required under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The result will be submitted to stock exchange and also hosted on company's website.
- **Mr. Rajib Gope** – Now, with this, we have come to the conclusion of this meeting. I, myself Rajib Gope Company Secretary, am pleased to propose a vote of thanks to the Hon'ble Chairman and to the entire Board of Directors. Equally, I thank each one of you for being here. Thank you for your continued support and we look forward to the same in the years to come. Thank you once again, have a good day.
- **Mr. Akshat Goenka** – Thank you.

The facility for e-voting on the Link Intime website was made available to those Members, who were present at the AGM and have not cast the votes by remote e-voting. This facility was closed at 10.45 am (IST). The proceedings of the annual general meeting concluded at 10.45 am (IST).