

Transcript of the 36th Annual General Meeting held on 07th September, 2021 through Video Conferencing/ Other Audio Visual Means

Shri Ashish U. Bhuta -Chairman :

Good afternoon everyone. I welcome all the shareholders of the Company to this 36th Annual General Meeting of the Company being held through VC/OAVM or as it's also called as audio video means.

Dear shareholders, I hope all of you are fine and safe and healthy and most importantly vaccinated.

This meeting is being streamed live by NSDL and Members can join in by meeting into the logging IDs with the respective depositories.

All the members who have joined the meeting are by default placed on mute, this to avoid any background disturbance, so that we can conduct the meeting very smoothly.

And in case if you face any login issues, you are kindly requested to speak to the NSDL on the helpline, the number of which has been given in the notice.

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

All the directors, the company Secretary of the company have joined the meeting and I now introduced to them. I introduce all the directors to you:

Shri Ashish U. Bhuta –Chairman: Shri Bharat V. Bhate, who is the Chairman of the Audit Committee and the Stakeholders' Relationship Committee, Who joining us, from Thane.

Shri Bharat V. Bhate : *Namaste.*

Shri Ashish U. Bhuta -Chairman :

Shri Arunbhai R. Raskapurwala , who is the chairman of CSR committee, who joining us from Mumbai.

Shri Arunbhai R. Raskapurwala –*Namaste.*

Shri Ashish U. Bhuta -Chairman : Shri Rameshchandra Vora, who is the Chairman of Nomination and Remuneration Committee, joining us from Bhavnagar.

- Shri Rameshchandra J. Vora: *Namaste.*

Shri Ashish U. Bhuta -Chairman : Mrs. Hina R. Mehta, who is a non executive independent director, Joining us from Mumbai.

- Mrs. Hina R. Mehta: *Namaste.*

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Shri Ashish U. Bhuta -Chairman : Shri Dilip H. Bhuta, who is the whole time director and CFO, who is present in the registered office.

- **Shri Dilip H. Bhuta** : *Namaste.*

Shri Ashish U. Bhuta -Chairman : Shri Ashish R. Shah, Company Secretary, also present in the registered office, with me.

- **Shri Ashish R. Shah**: *Namaste.*

Shri Ashish U. Bhuta -Chairman :

This meeting is being conducted from the registered office and I thank all the directors for being present for this meeting.

Apart from them, a partner from a statutory audit firm and the secretarial audit firm, who is also the scrutinizer appointed for this meeting are also present and join us for the meeting.

Due to COVID-19 pandemic and the social distancing norms, Ministry of Corporate Affairs and SEBI, they have come out with few circulars facilitating the Companies to hold their AGMs through audio video means and accordingly, the company has taken steps to hold this meeting, enabling as many members as possible to join the meeting. So that we are able to maintain the social distancing norms and avoid the spreading of the pandemic and in case if you do not cast your vote/s during remote e-voting, you have about 15 minutes with you after the meeting where you can cast your votes.

Dear Members, in accordance with Section 113 of the Companies Act 2013, the Company has received a letter from a corporate shareholder along with board resolution appointing and authorising the company representatives to attend and vote at this AGM and the total number of shares held by it is 6, 16,128 shares equalling to 13.43% of the total shares of the company.

Since there is no physical attendance during this AGM, the appointment of the proxies is not required and in accordance to the MCA's Circular.

Since the notice convening the meeting, the director's report and the auditor's report were already circulated to all the shareholders, I take them as read.

And now I request Mr. Ashish Shah, Company Secretary, to take forward the meeting.

Shri Ashish Shah, Company secretary:

Thank you Chairman Sir.

Good afternoon everyone. I welcome you all to this 36th AGM of the Company.

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Members please take note that Company has provided remote e-voting, through NSDL's portal, in pursuance to the Companies Act, 2013 and SEBI's listing regulation. As per the various circulars of MCA and SEBI the voting for the members, who have not yet voted through remote e-voting system, it is open during this meeting. Details of which are mentioned in the notice convening this meeting.

Members joining the meeting through video conferencing facility who have not yet cast their vote by means of the remote e-voting, may vote by logging in at the voting page on the websites of CDSL or NSDL by using e-voting facility provided during this Annual General Meeting and it will be opened till 15 Minutes after the conclusion of this Meeting.

The Board has appointed M/s. Nilesh Shah & Associates as the scrutiner for the voting done through remote e-voting and e-voting during this meeting. Since this meeting has been convened through video conferencing or other audio video means and since the resolutions mentioned in the notice convening this meeting, are already put to vote by remote e-voting, there will be no proposing and seconding of the resolutions.

Thank You. Now, I request chairman sir to proceed ahead.

Shri Ashish U. Bhuta -Chairman: Thank You Mr Shah,

Before I begin the answering the questions I would like to inform the members of our activities and development during the year. I would like to appraise you of what's happened in the past year.

So as you know, for the entire world, the year has been very stressful and emotionally very draining and so was the case with your organisation. It was a challenge for us to Balance safety of our people and associates and also manage our functioning of the work and to ensure that all our products are available with our patients. So it was a tough challenge, but by God's grace we were able to pull it.

I would first begin with all the positive things which have happened during the year and most importantly the focus ever since the COVID started, was to ensure that we always remain in a positive note.

So we had started badly in the first quarter last year, but at the end of the year we are been able to maintain a positive cash flow. We've been able to maintain a profits.

This again validates the model that we've been adopting, and for which we work for last many years of brand building that has paid off. We spent very few money in promotion this year. We could barely meet our doctors. But with the faith, which doctors had in our quality and brand, we were able to maintain a positive cash flows.

We had challenges. People in our plant also were affected by COVID, but we somehow ensured that products are manufactured, tested and available to all our patients in timely manner.

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We paid all the salaries in time. We paid all the government dues in time. We paid in time to all our associates and our conservative style of working ensured that all our associates have stood by us and you know, we've never had any logistics supply chain issues.

And a great teamwork from HR department who maintained the health of people, maintained good relationship, good support from the IT team with good backup from our finance team, plant of course and the marketing team, who with all these handicaps, they're still engaged with the doctors with the juniors in the team, and kept them motivated.

Office, we are still functioning from work from home and those individuals who need to come to office they come to office and they finish of their work and we are trying to see that all the individuals in the organisation are vaccinated. But with the gods grace all the members of organisation everywhere in the plant, head office, in the field, whoever had contracted COVID, they've all recovered well.

It was very heartening to see that though we had not given any increments during the year and also all the seniors had taken a voluntary salary cut because the initial part of the year was not really healthy at all. So although all seniors had taken a cut, voluntarily, for five months, and when things had fallen back in place, we sought to it that the original salary was restored for the seniors.

It was very heartening to see that people displayed a lot of maturity. They really understood the significance of why this is being done. This is the first time in history of our organisation that no increments were ever given, but people have taken this very understandingly, though they also had challenges in their home and I really appreciate and really admire the kind of understanding the maturity which they've shown during this tough period.

And of course, a special thank you to all of directors with their experience and wisdom they have been able to guide the organisation.

We are now present on social media platforms. We are present on Facebook, YouTube, Instagram, LinkedIn. So we just made this presence felt.

And in time to come we would come out with educative thought leadership notes and I would request many shareholders who would like to join, please do join us and know more about the organisation.

And most importantly, and most gratifying has been, you know, our launch and availability of our medicine Favipiravir, by the name "Favivent". A lot had been spoken about it in the last annual general meeting. But I take it from where we ended last time we've been able to distribute this product, we have made a very big impact in the availability of favipiravir and more impact we were able to create in terms of the price factor because since being the 2nd in India to launch this product and reduce the price by half.

Also followed the pricing which we had and the subsequent dosages which were launched that's 400 and 800 milligrams tablets. They had to all bench marked the pricing of their products to the price of Favivent, product that we had.

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So in terms of affordability of this drug to a common man, we as an organisation have made a significant impact. It was known that this product was launched in service to the nation and for us it was not to make profit in this case, and personally me and the entire team, including the directors, all the senior managers and every individual, we all felt that it was a once in a lifetime case, where we could do something for humanity and something for our nation, so as you know we've dedicated this year's annual report, where, we have mentioned a lot about Favipiravir and our product Favivent.

Thank you shareholders even you all have been, very supportive. We've been getting a lot of messages which have encouraged us to, you know, encourage us to those steps that we've taken for the launch of Favipiravir and we really thank you very much for the support that you've given us. Thank you.

Now coming to the challenges that we faced this year. You know the beginning of the year was not good because, in the first wave we were very scared. There were a lot of restrictions in terms of movement. But somehow what happened is, from post Diwali, i.e. in the month of November, doctors had started joining dispensaries. Some occasional surgery were being done so, in a very slow manner, things started opening up around mid November. However, doctors were not meeting freely, and they were not meeting medical Reps, even if they would see them, they would see them from far away. Somehow things started getting better, but unfortunately from the month of March, You know the challenge has been again with the 2nd wave doctors were not willing to meet or they would meet restrictively, they would be in the PP kits, so the kind of communication that we had with them earlier has been impacted.

Our boys also have not been able to travel much. Senior managers have been not able to really move freely, so sometimes they would make a travel plan and you know it's not certain whether they will be able to make a follow up plan the next time, because what we've observed with more states, they follow the district wise policy. So the decision is made district wise. So many a times we see that there is a particular district, where there is a lockdown on the weekend or the lockdown for the 10 days, which affected travel and the movement of goods.

There have been instances where the goods have reached the border of a state and since the border was sealed for 10 days, the goods would have not reached to the super-stockist. So these kind of challenges have been faced by us, so this restricted the movement a lot.

In fact, for the moment, keeping in mind that we have to remain positive with positive cash flow, we are not expanding our Brenz division for the movement and the northeast operations that we have started, for the moment we have curtailed them, we're going to see what we do after you know the whole corona issue gets resolved, whenever.

The reason is when we started the northeast operations, there's a lot of protests over there because of the Citizenship Bill. Our senior managers were having a lot of difficulties travelling to this region. Their travel was very important during the initial period. So for the moment we've curtailed the northeast operations. For the movement we are not going for any expansion.

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Wherever we felt that a new headquarter was launched and you know it would take time to shape up in the presence of a senior managers. Those kind of headquarters wherever it's possible, we've curtail them or merge them or closed them and we are not going into these new headquarters for the time being, so these are only temporary steps that we are taking and once COVID is resolved to a large extent we would look at the expansion and virtually this has also been the way that most organisations have looked at. We've seen instances where the entire divisions are being closed down or entire divisions have been merged with some other division.

We've also seen that international business has impacted, similarly, this was again in terms of doctors not open to meet our medical reps, there have been some countries where they had curfew for 15 days, one month. Even recently Sri Lanka, they were under a lockdown till 31st of August. Many countries had and having similar issues. Our representatives had contracted Covid so they were unable to move. So on and off you know there has been disturbance in the functioning and it's been far away from what we routinely work.

In the international business, we've also had cases or rather, it's an ongoing matter, It is still not resolved where there has been a significant imbalance of trade. This is happening throughout the world. We've seen instances of a rise of COVID cases in Europe than in US. Those countries have been locked down. As a result, all the exports going from Southeast Asia to these countries have been greatly impacted, resulted in no availability or reduced availability of empty containers.

Similarly, in India also has been significantly affected. We've had instances in our organisation where the goods are ready and for 15 days or 10 days we don't get a container and we don't get a connection to send the goods to our destination.

We've seen cases where we've got containers and have got a confirmation of the booking of a liner and subsequently, the liner-the ship, they skipped, coming to the destination and the port in India,-we then had to look up for another liner to send the goods. So these challenges are still going on and it's been said that this will remain so for coming months to come.

So, till this kind of imbalance is going to remain, there will be a cases of a shortage of containers impacting us also. We had more travel internationally. Managers have not been able to move to other countries for business, because of the travel restrictions by our government by the incoming countries government. So that has been affected. The training programme have been affected and lot of initiatives that we had to take have been affected.

In fact, in international business will be greatly affected as registrations are not happening, just as you know you have a curfew or lockdown and the body which made to take up registration processes they haven't met for a long time or they have met and then had long intervals. So the whole mechanism of registration has gone haywire and now there are a lot of pending registrations which are due in many countries, so I think even after we start smoothly it's going to be a very big challenge to us, how we can introduce new products in other countries.

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We have had cases in India where you know we have seek licence for some products, but they've been delayed because of the second wave, so these are challenges which is beyond control of anyone, but of course, we will keep attempting to see to it that how soon can we get the registrations done.

Another challenge that we're facing is, you know, imported raw material that we have, few of them, not all of them, but of course, even if you fall short of one raw material, the entire product's production gets affected, but again has been affected by the availability of containers, import of the product, getting it in time. So we have end up having more than required quantity as stock to ensure that we have smooth production and of course there has been a big challenge of increasing the input costs, since the prices of the fuel have gone high, all our raw and packing material prices have shoot up. So that's again a challenge that we have to face.

So I believe broadly, I've covered most of the points, touched most of them. Our R&D facility is functioning as usual, there are developments that we are doing. Of course it's a different thing when we will begin to register these products in India and other parts of the country, but we are still working with all the new ideas that we have and we have received for another three years extension by the Government of India as a recognised R&D unit

And I think this is in brief is the development of what's happened during the year and I will come to the questions which have been asked and most of the questions are quite common, so what I've done is to avoid duplication clubbed them into groups and based on that I'm going to answer them.

So we've got questions form Mr. Samarth Singh, Mr. Ishan Thakkar, Mr. Keshav Garg, and Mr. Kirti Shah.

Now there is a question

Q1. Please can we talk about the raw material API, cost, inflation and our ability to pass the cost increases in the domestic and export businesses? Do we still continue to see Escalation API costs? Or have they stabilised?

Answer: Just as I've mentioned earlier, yes, we do face this challenge of increased costs of API.

In the domestic market, we have a band of about 10% price increase opportunity that we have to increase the price so we don't go to that extreme. Because it becomes also very difficult for our patients to absorb. But we can take a price increase and we do take a price increase to absorb, else it's becoming very difficult.

But in, international business not everywhere it is possible to do so because most country's government has put in their pricing mechanism in place, just as we have, which is regulated by the NPPA, India. Most countries have pricing regulation now and they do not allow companies to increase prices the way they wish to.

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So there are two instances when some countries we've not been able to increase price by almost about five years. So, though we keep making application but unfortunately what happens is that many Indian organisations have been late in introducing these products, they come out at cheaper price, sacrificing their margins so we get questioned that if these organisations can afford, why can't you? So these are the challenges that we are facing. But in India there is a chance and we can go for our price increase and we are going to absorb those costs.

And do we still see an escalation of API cost?

Yes, we do. See there is still an uncertainty, and there is still a chance that we would still have a price increase in time to come depending on how the fuel prices go and with the kind of imbalance and availability of goods in India, especially imported goods.

Q2. The next set of questions are about Capex. The questions are, what kind of Capex will be required for setting up the Greenfield plant in Gujarat and when is it expected to come on stream? And there is a question that says that I believe we are planning a new formulation manufacturing facility and there is no mention about it in the annual report.

Q3. Another question is, in 2019 AGM, the management had stated that our company only produces proprietary combinations in inhouse while the rest is licenced from other manufacturers and we play the marketing game. So then why are we putting up a new manufacturing facility?

Answer: Well, you know we have just made a mention that we are going to begin the process about acquiring a piece of land. If you see our notice, it just talks about beginning the process. So you know, we just informed in sense of transparency, in terms of getting an approval from the board that we are just starting the process. So we really are not in a hurry or urgency to put up a plant. Due to the second wave the process was delayed.

We are yet to identify a piece of land and are in the process of identifying a suitable piece. So it is, Just the process we've started , so it is still time to come, and at the time it happens The reason why we don't mention about it in an annual report is because during the board meeting the directors' report was approved prior to the item on agenda about discussion on acquiring land to setup a new plant. That's the reason it's not appearing in the annual report, but of course we are at a very, very nascent stage, even a piece of land is still to identifying, but we have just started the process.

Q 4. There was a question that we have enough of capacity so why a new plant with additional capacity?

Answer: We need to appreciate that as the plant gets old and science develops, there are lot of operational issues that we could face , so a new facility will help us to, get over these operational issues. So we have options open before us, Once we acquire a decent piece of land, whether we may discontinue the old plant or use both of them. So once we have a new plant,

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we may continue this plant or we may not continue this plant. This is at a very, very nascent stage, so, you know, we have a lot of options open. Once we acquire a decent piece of land, we can prepare a lot of things accordingly.

Q5. Yeah, there is a question, which says that we produce only proprietary combinations?

Answer: now. I think this has been taken out of context because I've been quoted from a 2019 AGM. We have always been saying that, we do not want to put up a plant for a sake of excise benefit, in the earlier days when we had a VAT regime there is a excise duty, so the government would give rebate to the extent of excise duty in selected north Indian states. So for that benefit we had to move a lot of brands to the North Indian states for having those products contract manufactured, which subsequently came to our plant for analysis.

You know? After GST regime started, we waited for these benefits to be restored, but somehow it did not happen and now we have started moving some of the products back to our own manufacturing facility. So what I've mentioned in 2019, yes, that was only for that relevant point in time, but after having waited for about a year and a half or two years to just see whether we get those, old benefits back, which has not happened and we are looking to get some products back to our plant.

Q6: There have been some marketing related questions too. Please provide a breakup of the domestic market of the brands Nervijen, Powergesic, Triben, Zix, Finidexin, Oxicojen, Other Derma Products and all other products.

Answer: Nervijen - 43 Cr, Powergesic - 17 Cr, Triben -12 cr, Zix- 10 cr, and Cartisafe – 4 cr.

Q7. Information was sought for Derma division which had been our focus area for past 3 years.

Answer: yes there has been a set back we were at a brand building stage. We are investing well for about two, years meeting doctors. It was a good response, but unfortunately COVID hit and were affected in the season during 2020 by the first wave and in 2021 by the second wave.

As is known to everyone, we are in a tropical country and fungal infections that's were these product are meant, they show a good jump during the summers time i.e form April to July. We were not able to meet the doctors.

Eberjen and Oxicojen had shown a good response from doctors and both the cases we were second in India.

It's very disappointing that two products which which were promising, the response that we got were very good. Eberjen 02nd in India, Oxicojen lotion was 02nd in India, Oxicojen cream for 02nd in India, a good response. But, Somehow, you know the promotion has been greatly affected by the restriction of movement due to Covid. Unfortunately, at the brand building stage also the promotion has been greatly affected by the restriction of movement due to Covid. This, has created, a gap of sales. I think it's really very unfortunate.

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Q8: Some members, wanted to know the sales of our anti-fungal.

Answer: Triben as a group, the sales is 12 cr. Oxicojen 1.34 cr, Eberjen-2.25 cr and we did not do well in etriben- after the launch there were about 70 brands which were available from large and small companies, so there as a cut-throat competition. Since we got a good response for Eberjen inversion and Oxicojen, we focused more on that, so we did not do well in etriben

Q9.There is a mention about usage of steroids for treating over of covid which led to fungal infections. So, given the focus on antifungal of our company sales would have increased or not?

Answer: the anti-fungals that we have, are not meant for those indications, so it was not relevant for us to address those kinds of fungal infections, what we have seen during Covid. So that's a very different set of anti-fungal, that required.

Q10. The questions have been asked about Brenz.

Answer: We have about 52 Members in a Brenz division which includes the managers and medical Reps and as I've said that right now the priority is to conserve cash and you know, till you're very sure of what's going to happen in terms of COVID and because there is a fear of the third wave. Second wave was very bad. There is again a fear of third wave. So for the moment we've just kept the status quo and we are not expanding anymore and just wait, what happens next?

Q11. Are there any new launches for the year and having plan for any new launches?

Answer: well barring Favivent, there was no new launch last year and we have some products in mind, but we first see what is the condition of the third wave and only then we're going to go ahead with it otherwise, we would drain some money if we cannot continue with the promotion and then again we have to pump in some more money. Because if it's launched and if we couldn't continue the promotion, you know we have to pump in some more money again, if we continue these. So we are not be very desperate, we have some ideas in mind. We have identified some products, but depending on the state of Covid we will going to go ahead.

Q12:-There was a question about finance about our long term, short term borrowing and rate of interest?

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Answer: We always have a availed short term borrowings and that too at a very- very cheap rate. As on 31st March we had a short term borrowing of 3.71 cr and we get it a very very cheap price, LIBOR + 1% i.e. approx 1.50% to 1.75% per annum which is just too low.

Q13.There was a question about, are you going to see a growth in terms of exports this year or was it just a once off case this year?

Answer: Well it is very difficult to say as every country is having its own set of challenges. I would say that it was very encouraging to see that we as a country - people have realised the importance of having a very developed pharmaceutical industry in our country. Earlier people just used to speak negatively about the way companies would promote their products to doctors and very seldomly people spoke good about industry.

Not every country is as developed as ours, so whenever there is a fear of a pandemic they go for preventive steps like a lockdown. How regular is going to be the movement of people? It depends on how soon are they going to register new products? So these challenges remain and unless we get a clarity on that it's very difficult to answer this question. There are countries which have stopped accepting any new files because they have a big back log, so there is no improvement in pace but it has gone worse.

Q14.To the question of about our plans to sell healthcare products via digital marketing.

Answer: We are introducing few products on a pilot scale now and promote them digitally. These products would be in the OTC category and it will not be promoted through our ethical channel. Our regular products are available on 1mg, Pharm Easy, Net meds, but the products that we are looking at are going to be those products in the health care segments which can be sold without prescriptions on trial basis, on experimental basis. So that is the idea. It is not on telemarketing.

Q15.The next question was will moving manufacturing of some of our brands in house lead to better gross margins?

Answer: Yes, to an extent, not significantly, because just as we our moving our products to our plant we also have a scenario of increased input cost. But there is definitely an improvement of margins as compared to previous times.

Q16.There is a question stating why are we not doing a buy back?

Answer: Well the board will discuss and take it at an appropriate time. However, when we see these requests that the same had not opted for the buy back, when offered last time, though it was at a lucrative buy back of 23% appreciation as compared to the prevailing date of announcement. But people did not opt for the same. What I understand is that the prices had shot up to Rs. 750 , 800 and 880 and those individuals had not sold then and now they are asking for a buy back , so there is a dilemma for the directors to really understand what are the kind of expectations . But yes we definitely keep this is mind.

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Q17. There is a question which says that in the pharma industry there has been a 15 % de-growth in the market, so will we bounce back to previous levels once lockdown ends ?

Answer: The areas that we have seen a de-growth is in the anti-fungal segment, paediatric segment and the third area has been cough syrups. The incidences of anti-fungal went down significantly during lock down 1 and 2 , for paediatric products most kids had been home as schools had not opened up, they were in the safety and comfort of home, and being at home does not expose you to lot of infections as a result this segment of products took a hit . All paediatric products we have, have shown a sharp fall. It is not just that our products it is a matter with the entire category across all the organisations. Same is the case with cough syrups, barring a spurt of about 2 months during the second wave, the instances of cough syrups have dramatically fallen .So we have had such spikes when there is an urgent need of cough syrups and then within one, one and a half, two months the demand suddenly fell down. So we have managed with these spikes but in terms of long term growth we really do not know, as it all depends on how things unfold and move further to answer whether the sales would bounce back? We are trying to see if our regular promotion of all our products is possible, a situation where our medical reps are going to move freely to promote all our brands, the doctors are willing to meet them and able to launch new products. So currently we have challenges in every state so I do not see a case that we are going to bounce back. This is also because comparison is being made with our sales throughout the country where working conditions were normal. So let us see how things unfold as some products which we had started promotion have taken a hit so we need to take a decision whether we should discontinue them or a start with fresh investment from scratch.

Q18: Another question is why is your top line and EBIDTA stagnant since financial year 17 at around 105 crores and 20 crores while the domestic market is consistently growing in double digit?

Answer: I think question is absolutely factually incorrect. In fact we have one shareholder who stated that the market has degrown by 15 %. The market of our product categories have actually shown a degrowth . So the question itself is factually incorrect.

Q19: There was a comment to spare us the lecture from CRM.

Answer: Well the idea was not to lecture you on CRM but was to make aware of what is happening in the market and the challenges we are facing in the field .What is going around, what do our competitors do. So it was just to make it amply clear to our shareholders to not expect sudden spurt of profits. This is the model of the organisation in regards to CRM and this is to clarify enabling you to know whether your personal expectations in terms of investment plans are aligned to the model of the company. If you are comparing with some other company you may just end up some heart burn. We have seen cases where shareholders have had huge expectations and on realising that we do not get into CRM activities they have exited the organisation. So this was just to help shareholders understand the model of the company and align expectations accordingly. Our observation has been that those who are looking for

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stability have invested in your organisation. Institutions approach for investment in your company for stability and that is our top priority.

Q20. And the last question for today is that the API companies are no longer perceived as commodity manufacturers but as speciality chemical companies , equity markets are reflecting the same with some API companies sporting better valuation multiples than formulation business. Your thoughts on the same and would you consider backward integration for established products?

Answer: In terms of valuation of API companies, it is a selected few and it is just that it's got attraction from many lately. Actually these companies have done exceedingly well, but it is not very recent, they have been working very hard for a couple of years and identifies some nice products. There are more than 20000 plants in India who make intermediaries and speciality chemical but just a few have got very valuations .They are into niche products and identified some good markets early on . Also investors were looking for manufacturing options outside China in this segment due to political reasons and India is the next best choice for various reasons and hence also a demand for such companies. But now there is a herd mentality and a lot of people are investing in such companies. I feel if we invest without really understand the model and the product pipe line we will just end up with heartburn just like some of our members who may have invested without really understanding what kind of a model we at Jenburkt have adopted .So it is important to know what is the specialty chemical its short term long term prospects and the model and not just because specialty chemicals are the flavour of the day. In terms of our backward intergradation our focus is very different and it is on brand building and the next area where we are looking at doing well is the wellness area.

I believe I have covered up all the questions asked and I take this occasion to sincerely thank all our JENBURKTIANS all our business partners, all our associates, super-stockiest, Stockist, the world over to be supportive to us during these times.

Now I would like to take up the agenda which was proposed in the meeting during this AGM.

1. To consider and adopt the audited financial statements of the Company for the financial year ended on 31stMarch, 2021 together with the Board of Directors' and Auditors' report thereon.
2. To appoint Shri Ashish U. Bhuta, director liable to retire by rotation and being eligible, offer himself for re-appointment as a director.
3. To declare a Dividend of Rs. 10.20 (102%) per equity share of Rs 10/- each, for the financial year ended 31st March, 2021.
4. To re-appoint Shri Dilip H. Bhuta, as the Whole Time Director of the Company for a period of five years from 1stApril, 2022 to 31stMarch, 2027 and payment of remuneration for a period of three years from 1stApril, 2022 to 31stMarch, 2025.

Transcript of the 36th Annual General Meeting held on 07th September, 2021 through Video Conferencing/ Other Audio Visual Means

5. To ratify the remuneration of the cost auditors M/s. Jagdish R. Bhavsar, Cost Accountants, for the year ending on 31stMarch, 2022.

I hereby thank all shareholders for the participation at this AGM and I'm also very grateful to all the directors of the company for joining the meeting for their respective locations.

Thank you.

With reference to the voting, the scrutinizer will be provided the findings of the above remote voting and voting done, and the consolidate result will be announced thereafter. The results can be accessed from the website of the company and that of the BSE.

With your consent, we would like to take leave once again and thank all the shareholders for their patience throughout and I would now declare the meeting to be over.

Thank you very much, thank you for joining, thank you once again.