

Transcript of the 39<sup>th</sup> Annual General Meeting held on Tuesday, 30<sup>th</sup> July, 2024 through Video Conferencing / Other Audio-Visual Means

**Shri Ashish U. Bhuta -Chairman:**

Good afternoon, everyone!!!

I welcome all the members of the company to the 39<sup>th</sup> Annual General Meeting by video conference.

As mentioned in the notice, convening this meeting, the Ministry of Corporate Affairs and SEBI have come up with few circulars facilitating the Companies to hold AGM via audio video means and accordingly, this meeting has been held by video conference.

Members can join the meeting by logging into the respective depositories. Attendance of the members by video conferencing will be counted for the purpose of reckoning the quorum as per section 103 of the Companies Act 2013 and the circulars issued by the MCA.

The facility of joining the AGM is made available by video conference or audio-visual means on a first come first serve basis.

Any Members, if they face any technical issue, they are kindly requested to speak to the NSDL helpline, the numbers of which Have been given in the notice.

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

All the directors and the Company Secretary of the Company have joined this meeting through video conferencing, from various locations and now it will be my pleasure to introduce them to you.

**Shri Ashish U. Bhuta -Chairman:** Shri Dilip Bhuta

**Shri Dilip Bhuta:** Namaste

**Shri Ashish U. Bhuta -Chairman:** Shri Dilip H. Bhuta is a Whole Time Director and CFO, He present at the registered office of the company.

**Shri Ashish U. Bhuta -Chairman:** Mrs. Hina R Mehta

**Mrs. Hina R Mehta:** Namaste

**Shri Ashish U. Bhuta -Chairman:** Mrs. Mehta is a woman independent director and also the Chairman of the Audit Committee, joining from Mumbai.

**Shri Ashish U. Bhuta -Chairman:** Shri Sumit A. Thakkar

**Shri Sumit A. Thakkar:** Namaste

**Shri Ashish U. Bhuta -Chairman:** Shri Sumit A. Thakkar is the independent director and the Chairman of the Stakeholders' Relationship Committee, joining from Bhavnagar.

**Shri Ashish U. Bhuta -Chairman:** Shri Krishnan Subharaman

**Shri Krishnan Subharaman:** Namaste

**Shri Ashish U. Bhuta -Chairman:** who is a newly appointed director and the Chairman of Nomination and Remuneration Committee and CSR Committee, joining from Mumbai.

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**Shri Ashish U. Bhuta -Chairman:** Shri Pankaj A. Dantwala, who is also a newly appointed director has joining from Mumbai.

**Shri Pankaj A. Dantwala:** Namaste

**Shri Ashish U. Bhuta -Chairman:** and Shri Ashish R. Shah- company secretary, present at the registered office of the company with me.

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

**Shri Ashish U. Bhuta -Chairman:**

Thank you everyone for joining us and for the valuable time.

Apart from them, a partner of the Statutory Auditors, Cost Auditors, Secretarial Auditors and the scrutinizers appointed for this meeting have also joined this meeting.

The Company has indeed made all efforts feasible under the circumstances, to enable the members to participate and vote on the items being considered in the meeting.

In accordance to the Section 113 of the Companies Act, 2013, the company has received a letter from a corporate shareholder along with a board resolution, appointing and authorising the Company representatives to attend and vote at this AGM. The total number of shares held by it is 6,16,128 shares equaling to 13.96% of the total shares of the Company.

Since the notice convening this meeting, the directors' report and auditors' report were already circulated to all the shareholders, I take the same as read.

I would now request Mr. Shah the Company Secretary to provide general instructions to all our members present today, participating in this meeting:

**Shri Ashish R. Shah – Company Secretary:**

Good afternoon everyone. I welcome you all to this 39<sup>th</sup> AGM of the Company. Members please take note that the MCA & SEBI have by circulars facilitated the Companies to conduct AGM through Video Conferencing/Other Audio-Visual Means, accordingly this AGM has been conducted through video conference. The Company has provided remote e-voting facility to the Members to cast their votes from the remote locations electronically from 9.00 a.m. of 27<sup>th</sup> July, 2024 to 5.00 pm on 29<sup>th</sup> July, 2024 on all the resolutions set forth in the Notice of the AGM, the procedure of remote e-voting is mentioned in the notes to the Notice, in pursuance to the Companies Act, 2013 and SEBI's listing regulation and their circulars.

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Since there is no physical attendance during this AGM, the appointment of the proxies is not required, in accordance to the said circulars of MCA.

As per the various circulars of MCA and SEBI the members joining this meeting through video conferencing facility and who have not yet casted their vote by means of the remote e-voting, may vote by using e-voting facility provided during this AGM and 15 Minutes thereafter.

The Board has appointed M/s. Nilesh Shah & Associates as the scrutiniser for the voting done through remote e-voting and e-voting during this meeting. Since this meeting has been convened through video conferencing 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.

Members have been provided the facility to raise their questions by e-mail in advance. All such questions received by the Company will be replied to by the Chairman sir, hereafter.

Now I request Chairman Sir to proceed ahead with the meeting.

Thank you very Much!!!

**Shri Ashish U. Bhuta -Chairman:**

Thank you, Mr. Shah.

Before, I take up the questions, please allow me to give you a brief overview for the year.

To make the most of our time together today, I'd like to offer a few words reaffirming our core values and a summary of the year that was, before we open the floor for questions.

At Jenburkt, our story is not simply one of financial performance; it's a journey of steady growth, dynamic reinvention and sustained value creation. India is on the upswing - an economic resurgence story that shines bright amidst global uncertainties. Around the world, nations grapple with extreme events, prolonged wars and terrorist attacks, and geopolitical tension. Yet, corporations anchored by *purpose*, like ours, have thrived. Our unwavering commitment to "*Leading with Purpose*" and "*Growing with Responsibility*" has been our guiding light. It is purely because of this that we maintained financial health throughout the COVID pandemic. Our robust foundations allowed us to navigate challenges & complexities, emerge financially strong, and even successfully launch Favipiravir without an intent to make profit, with only an intent to serve the nation and to benefit the community.

We remain resolute in launching superior quality products and adhering to ethical marketing practices. We continue to work closely with communities to enhance access to healthcare and support social upliftment, fulfilling our philanthropic promise.

This was a year of some great achievements by our team. We had a laser-sharp focus on harnessing technology to automate and innovate, building a data-driven growth mindset across all levels of the organization and launching well-researched products.

### **Business Performance & New Product Launches**

Central to our R&D philosophy is the exploration of multiple therapeutic areas - both with prescription medication and the consumer wellness segment. In response to evolving patient needs, in addition to advancing pharmaceutical formulations, we are spearheading initiatives in the consumer wellness segment, with several "first-to-the-world" products. We launched multiple products that have achieved a sales landmark exceeding expectation within the first year of launch.

We entered into specialized segment of Atopic Dermatitis with the launch of Crisbo Ointment and launched Aceclofenac 100 mg in dispersible form. We strengthened our presence in the pediatric segment with the launch of Nervijen Syrup with Vitamin D3 for better palatability to ensure higher patient compliance. With our deep expertise in pain management, we also launched Zix Gel (Diclofenac 1% with unique DMSO advantage) within our Brenz division.

Within our Wellness Division, we expanded our ZIXA Strong range by introducing smaller packs to achieve efficient product-market fit in general trade and Zixa Strong Ortho Pain Massage Oil with the goodness of 13 cold-pressed, steam-distilled essential oils that has garnered overwhelming positive feedback from senior citizens. We expanded our e-commerce presence from Amazon and Tata1Mg to Flipkart as well, and our offline pilot in general trade to Mumbai, Pune and Bengaluru with a lean yet efficient field force. We plan to expand into Tier-2 and Tier-3 cities, in the states in which we have launched our wellness products, over the course of this year in a planned manner. We partnered as Official Pain Relief & Recovery Partner for exclusive events such as Jio Mumbai Cyclothon, Bengaluru Midnight Marathon, Decathlon 10K Run and Lokmat Mahamarathon and many such events. It is still a learning period for our Wellness Division, and we are keen to build it strategically and sustainably over the next few years. Our product ZIXA Strong Roll On earned a prestigious recommendation from The Indian Society of Physiotherapists - a testament to its superior quality. We also conceptualized and developed India's first and only national brand initiative to educate, empower and recognize physiotherapists - "Champion Behind the Champions" - to honor them as unsung heroes powering pain-free mobility, that has been very well received.

Our International Business division showed perseverance in the face of global challenges in light of disrupted supply chain due to the continuing wars. Despite navigating temporary market disruptions such as: - Limited foreign exchange access in Benin, Kenya, and Nigeria; Socio-political unrest in Sri Lanka that led to delays in order placements and deliveries that consequently affected sales volume in that region; it was also affected by adverse economic conditions in specific markets resulting in prolonged collection periods, thereby straining our receivables-to-sales ratio, however our International Business division demonstrated resilience.

These challenges, though temporary, presented opportunities to us, to strengthen our relationships with local partners and healthcare providers, to enhance access to our vital products.

### **Training & Upskilling**

Within our domestic business - our marketing teams across both our Pharma Division, Brenz Division and Wellness Division - conducted regular and highest-quality training to our 650+ members on the field interacting with doctors and physiotherapists across the country. This year, your HR department focused on cultivating a dynamic and inclusive workplace that empowers employees to achieve their full potential and drive organizational excellence. Our HR team developed and delivered a training programme for the QUEST team, resulting in a program that met its objectives with an enhanced learning experience for participants. FY 2023-24 witnessed the successful implementation of our Succession Plan Transition in the Manufacturing and S&M functions. Experienced leaders transitioned out after long and successful careers at Jenburkt, paving the way for new leaders to take charge. This well-calibrated succession plan ensures a smooth leadership handover in other departments as well.

### **Thrust on Technology**

To ensure highest levels of drug quality and patient safety, this year we upgraded our Laboratory Information Management System (LIMS) to the latest edition to further automate quality control processes, ensure regulatory compliance and facilitate towards a paperless lab environment. This has been implemented and adopted at our plant. To further reduce paper usage and enhance document management, your company partnered with Iron Mountain, a multi-national, this year for secure physical document storage and management. Our in-house creative team has also started implementing Generative AI to create innovative marketing materials - some of you may have observed the same in this year's Annual Report.

In the upcoming year, we plan to keenly track the passing and compliance with the Draft Drugs and Cosmetics Bill, 2022 that aims to modernize the existing Drugs and Cosmetics Act, 1940, as

well as the Draft National Pharmaceuticals Policy 2023 that emphasizes strengthening regulatory efficiency in the Indian pharmaceutical sector.

As we look ahead, we remain steadfast in our pursuit of quality ethical growth. Our financial strength—underscored by being a cash-rich, debt-free organization — allows us to invest strategically.

### **Looking Ahead**

The future of Jenburkt is bright. We are committed to harnessing emerging technologies, remaining steadfast with ethical business practices, and investing in R&D to develop innovative solutions for a healthier tomorrow. We will continue to contribute to India's growth trajectory and fulfill our responsibility to stakeholders across the value chain.

On behalf of the entire Jenburkt family, we express our deepest gratitude for the invaluable service and dedication to our outgoing Directors Shri Bharat Bhate, Shri Arun Raskapurwala and Shri Rameshchandra Vora. Their unwavering commitment and exceptional business acumen have been instrumental in shaping our company's success, and we wish them the very best as they embark on a new chapter in their journey. We are strategically expanding our board to encompass a diverse range of expertise, experience, qualifications, and gender perspectives. We would like to warmly welcome seasoned professionals Shri Sumit A. Thakkar, Shri Krishnan Subharaman and Shri Pankaj Arun Dantwala to our Jenburkt family, welcome everyone. They bring rich experience across domains, to steer us towards new horizons.

I'd be happy to address the specific queries and questions that have been submitted by our members.

The questions have been asked by members, I would like to readout their names: Mr. Jain, Mr. Bangar, Mr. Dave, Mr. Thakkar, Mr. Garg, Mr. Singh

As many of the questions from our esteemed shareholders are the same, I would club them in the context to avoid repetition.

So, with your permission, I would like to begin with the first question:

**Q How do we see the company in the next 3-4 years down the line in terms of sales growth (Any significant challenges are we facing currently for growth?)**

**A** We are optimistic about the business. We do not see sales as the only parameter for growth. Sales is the result of good strategy and process. Next 3-4 years down the line, the sales growth will be better than the current growth.

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The growth drivers would be:

- Digitization - Tabs for effective detailing, Health Care Practitioner engagements & better Sales Force Efficiency parameters
- More Health Care Practitioner engagements to differentiate us from competitors
- Partnerships with Centers of Excellence for improved image & better patient outcomes
- Building a more confident sales force with better in-clinic effectiveness, through online HCP training
- Strengthening Performance Oriented Culture (PEP programs)

And the challenges faced by us are:

- Competing organisations, small and large which indulge in CRM activities.
- Lower & costlier regulatory approval process for new products
- Talented people are not joining the sales function, as alternate comfortable opportunities are available.

**Q Can we sustain the all-time high OPM of 23% that we did during FY23?**

**A** Well, the focus of organization has always been to take decisions with long term perspectives. In case we come across good opportunities, we will always pick them up and which could affect the margin in the short term. But long term, we always bottom line driven.

**Q What is your capacity utilisation for Sihor Plant for FY23 and FY24?**

**A** At present, our plant operates on a single shift. Our oral & Solid dosage is working at 80%, whereas our Liquid & external preparation is at 65%.

**Q Cash on hand is now INR 100 Cr. Are we planning to do any organic or inorganic expansion?**

**A** Well, as a matter of fact, we are open to both organic and in organic expansion. It depends on the proposals that we get and the opportunity which we get along the way.

**Q What is the bifurcation of procurement of raw materials from domestic and foreign companies?**

**A** About 94% of the raw material are procured from domestic companies and 6% from direct importers.

**Q Any plans for backward integration to reduce dependency on current vendors?**

**A** Well, keeping in mind the current scenario, we have no such plans.

**Q Any new products under R&D, or in pipeline expected to launched in FY25 or FY26?**

**A** Yes, there are several products which are currently under development, and some of them will be launched in the coming months once the necessary licenses have been obtained and requisite tests have been done.

**Q Have any of our FDC products been banned recently?**

**A** None of our FDC Products have been banned recently.

**Q What will be the impact of govt capping trade margins in pharma, on our company?**

**A** The government capping trade margins will not affect us. This will affect usually those who are heavily into generic business in India.

**Q Any update in NPPA's dispute of Rs.16.45 Crs.?**

**A** There is no change in the status quo of the NPPA dispute. There was a scheduled hearing in June 2024, however the union of India requested for adjournment.

**Q We earned an Interest Income of Rs.4.12cr on our FD of Rs.75cr which is 5.5% or less than the rate of inflation. Please do major share buy-back every year, whenever the markets are down.**

**A** Yes, thank you very much. The Directors are listening to your suggestions very intently and we'll always keep this in back of our mind when we discuss this point.

**Q We generate between Rs. 25-30cr of cash flow every year, how do we plan to deploy the cash generated in FY 2025?**

**A** well, we will utilise towards replacing, upgrading, acquiring new equipments. Making balance payment towards the interiors of the new office and expansion possibilities of the manufacturing and warehousing facility and also any possibilities then that we come across the buying brands.

**Q Do you have any CAPEX plans for FY25 and FY26, and how will you finance them? Internal accruals or debt?**

**A** Well, we wish to finance all this through our internal approvals.

**Q What has been the total cash outflow for the new office and guesthouse and how much is still pending?**

**A** The total outflow towards a new office is 25.33 crores so far and this includes the stamp duty, GST and the registration charges.



**Q Could you share the state-wise sales data? (Top 6)**

**A** The approximate state-wise Sales data for the top 6 states are Karnataka - Rs. 34 Cr, Maharashtra - Rs. 25 Cr, Gujarat - Rs. 10 Cr, Uttar Pradesh - Rs. 9 Cr, Madhya Pradesh - Rs. 7 Cr & Tamil Nadu - Rs. 5 Cr.

**Q Please share the brand-wise sales breakup for FY 2024 (Top 5 Brands).**

**A** The approximate Brand-wise breakup for FY 23-24 was Nervijen Rs. 58 Cr, Powergesic Rs. 17 Cr, Triben Rs.13 Cr, Zix Rs 13 Cr. & Cartisafe Rs. 2 Cr.

**Q How has the Derma division performed this year?**

**A** The total revenue of Derma division was approximately Rs 18 Cr. In dermatology, we have targeted, the anti-fungal segment only. The total revenue from Clotrimazole and its combinations is approximately Rs 13 Cr, Eberconazole combinations is around Rs 2 Cr approx., Oxiconazole is around Rs 2 Cr approx. & Crisaborole is around Rs 1Cr.

**Q What were Sales from Nervijen D3 for this year?**

**A** Sales of Nervijen D3 Tablet was around Rs 7 Cr for the year.

**Q How many MRs and FMs we are presently having and out of these, how many are in our core markets Karnataka, Maharashtra, and Gujarat region?**

**A** We presently have around 480 MRs and 133 FMs. Out of these, we have 113 MRs & 32 FMs in Maharashtra, 52 MRs & 12 FMs in Gujarat & 60 MRs & 16 FMs.

**Q Domestic sales grew from Rs. 111cr to Rs. 122cr - please provide the breakup between volume increase, price and increase and new products?**

**A** Well, during the year, we've launched the Nervijen Syrup just in the month of March and so far, we've done about 0.4 crores and the growth in sales was due to volume and price increase both.

**Q Domestic pharma companies have realized the benefits of focusing on a few brands and really pushing those to attain revenue growth as well as better valuations (whether in private or public markets). Besides Nervijen, which are the brands that we believe can be our power brands and grow to more than Rs. 50 Cr of annual sales each?**

**A** In the Pharma segment, Powergesic & Zix, combined can cross 50 Crs. We are also confident that our Zixa brand within the wellness division has substantial potential to surpass Rs 50 Cr in growth, however it would take time as it's a very competitive space.

**Q Any plans to diversify your traditional pharma business to include more chronic-focused products, such as oncology, ophthalmic, orthopaedic, cardiology, respiratory diseases, dermatology etc. for disease-specific treatment, rather than relying on your acute-heavy product portfolio?**

**A** We do have products like Nervijen P, Metmin A & Crisbo, that falls under chronic space for some indications. So, we are open to products in chronic space, provided they have a long-term potential, for brand building and not CRM driven.

**Q What are the prospects of Brenz division?**

**A** We currently have 39 Sales Representatives, and while progress has been steady.

**Q Do we have any tie ups with Hospital Chains to sell our products in their inhouse pharmacies?**

**A** Well, all our major brands are available at hospital chain pharmacies. However, we do not have a tie-up with them directly, because you know for doing so they ask for heavy discounts and it makes no commercial sense because our products are in anywhere available in the pharmacies.

**Q What is the progress on North East expansion?**

**A** At present, our operations do not extend to the North East region. We'll be looking at it an appropriate time.

**Q Do you see any long-term threat to our margins from increasing penetration of pharma e commerce retailers like Netmeds & Jan Aushadi etc.?**

**A** Well, most of our prominent brands are available on e-commerce platforms and apparently, we do not feel that there's going to be any threat on them.

**Q Why have our exports declined by 20% from Rs.25cr to Rs.20cr in FY24 YOY & what are our export prospects going forward?**

**A** As stated in the business scenario earlier, the challenge of timely availability of Forex, the logistics challenges that we're facing and also certain economies are having a downturn which is impacting our business. The regulatory approvals for certain products are also taking a long time and it's getting more costly by the day. But of course, in time to come, the prospects are good, but we cannot expect them in a very short time because we believe in the long term perspective of building strong brands.

**Q Can you please provide approximate receivable days for Export sales? As against 14% of total sales during FY24 being exports, Foreign Receivable account for almost 54% of total receivable as on 31 March 2024.**

**A** The credit period varies depending on the export destination country, ranging from DA 90 days to DA 150 days. We have to bear in mind that due to war in middle east, shipping routes have been altered, taking more time to reach the required port.

**Q Which geography are we planning to enter for exports in the next 2-3 years?**

**A** well, the core focus is going to be on the countries in which we already have a presence and they have a good potential, which we have yet to get, which we are yet to capitalize. So, our focus is going to mainly on, you know, doing well in these countries because we really have a good potential in terms of the bottom lines and that's what we're going to look at. But of course, we will always have an open mind to enter countries, for which our product mix should be most appropriate and suitable.

**Q Any plans to boost your exports, which have been in the range of Rs.20-25 Crs. for the past three years, and what impact will that have on your overall sales and PAT in FY2025 and FY2026?**

**A** Yes, of course there is a focus always on a good, healthy long-term sales for exports, but I don't see that it's going to have an immediate impact in next one or two years. As I mentioned, the registration process is increasingly getting lengthier.

**Q What were the export sales to Sri Lanka and Benin for the year?**

**A** The export sales to Sri Lanka is Rs 6.29 Cr and Benin is Rs 6.10 Cr.

**Q Apart from ZIXA pain relief, which are the other wellness products in our portfolio? Any plans to enter medical cosmetics, sexual wellness or nicotine replacement therapy, etc.?**

**A** You know, we have to see Zixa as a basket of products. Each variant has a different route of promotion. They have a different set of competitors. They have different opportunities and different challenges. And the basket that we have for Zixa is of Zixa Strong Pain Relief Gel, Zixa Strong Pain Relief Gel Roll on, Zixa Strong Pain Relief Gel Spray, Zixa Strong Feminine Cramp Relief Roll-on & Zixa Strong Ortho Pain Relief Massage Oil, which has been recently launched. And we have some very interesting products in the pipeline which are going to get launched in next few months. So, we'll be glad to inform you in time to come about these keen awaited launches.

**Q What was the total revenue and total cost pertaining to the Wellness Division?**

**A** The current revenue from Wellness division is around Rs 0.40 Crs, whereas the total expense is around Rs 2.53 Crs

**Q What % of our revenues comes from non-prescription / OTC products?**

**A** Well, it's a new division. So, it's just about 0.3 percentage of our revenue coming from OTC products.

**Q You have marketed in Indian Football League, is there any plan for other sport tournaments like IPL?**

**A** Apart from Indian Football League, we have marketed our wellness products at some of the most prestigious Marathons in Maharashtra, Karnataka and Ladakh, since inception of the wellness division. We would like to market our product in IPL once our product is available in the retail stores all over India.

**Q In how many retail outlets are your wellness products available?**

**A** As of March 24, there are 1990 retail outlets where our wellness products are available and growing. I'm talking about only the Wellness products and since then even the numbers have increased substantially. Once you've got a small pack, so as of now, the number is much more than what it was in March.

**Q How come our EBITDA increased from Rs.10cr in FY13 to Rs.24cr in FY18, CAGR > 19% but has grown at only 5.4% ever since which is slightly less than the rate of inflation & what steps is the management taking to reverse this trend?**

**A** As mentioned a couple of times earlier, our focus has always been on bottom line. We are competing with CRM driven companies which has its own set of challenges which impacts the top line. But as I mentioned earlier, the sales growth of the next few years will be much better than what it is right now.

The next question is pertaining to some of accounting impact.

**Q There is disposal of Rs 15.28 Lakh (Accumulated depreciation Rs 14.24 Lakhs as on 31 March 2024) worth of trademark during FY24. Can you please elaborate reason same? Is it because expiry of Trademark or actually sold some trade mark? The disposal gross value is almost 46% of opening Gross trade mark value as on 31 March 2023.**

**A** We had capitalised the above-mentioned amount against the Trademark. These trademarks have expired and are no longer in use. Thou the capitalised amount is Rs 15.28 Lacs, the amount written off is its WDV i.e. Rs 1.14 Lacs only.

**Q There is a decrease in operating cashflow of Rs 1420 Lakh. Schedule 7 in Balance sheet (Other non-current assets in Balance sheet) indicate increase of Rs 1343 Lakhs. The main reason for increase is due to increase in capital advance given for purchased of real estate (Land and guest house). Can same be considered as Investing cashflow as same being related to fixed assets? Please check with financial experts and revert.**

**A** The advance paid towards purchase of new premises has been booked as advances paid under non-current assets, hence been shown in operating cashflow. The same as been done under the instructions from our statutory auditors.

**Q Schedule 6 on Deferred Tax Assets/Liabilities has two entries for unrealised gain on securities carried at fair value, -1.86 Lakhs and -21.99 Lakhs. In second portion of schedule, Rs 1.86 Lakh gives information about Deferred Assets on Share and MF investment (Debt), but same for equity is only Rs -65.51 Lakhs. Can you please reconcile Rs -21.99 Lakhs and Rs -65.51 Lakhs provided in schedule?**

**A** The amount of Rs -21.99 Lacs mentioned in the first portion of the schedule is the difference between the last year's amount and the current year's amount (i.e. -65.51 & -43.51) mentioned in the second portion of the schedule. So, you may please refer to 2nd schedule and you get that answer.

**Q Schedule 9 on trade receivable provide major spurt in Credit impairment on receivable change from Rs 94.34 Lakhs (0.69% of Sales in FY23) as on 31 March 2023 to Rs 223.89 Lakhs (1.58% of sales in FY24) as on 31 March 2024. Can please elaborate and what risk control measure management has undertaken to reduce impairment charges in future?**

**A** As per the current Ind AS, we need to provide for the expected credit loss against trade receivables. But we must bear in mind that this is only a notional amount calculated on the basis of historical data of delays. As far as the risk control measures are concerned, we operate only if there's ECGC cover. We operate even against LC's, against advances, and we deal with only reputed banks and people who have has good credit in the market.

**Q Your employee cost, which is a approx. 30% of your sales in the last few years appears to be higher than the industry average? Do you have any initiatives to reduce it or will it remain the same?**

**A** Yes, it's always an endeavor to see to it that the percentage goes down to the sales. However, we need to realize that we are in the knowledge industry and there is always a demand for good talent and the best cities in the world have a very heterogeneous culture which drives the growth, and we believe in fostering multicultural growth, multicultural teams, rather in various functions. And at the end of the day, we must realize that everything in business is always created by people. So, this is a challenge, but yes, our endeavor is to reduce the percentages as to sales.

So, with this I am able to wrap up all the questions which were asked by esteemed members.

And now I would kindly take them to agenda, which has been proposed in the Notice convening this AGM.

1. To consider and adopt the audited financial statements of the Company for the financial year ended on 31st March, 2024 together with the Board of Directors' Report and Auditors' Report thereon.
2. To declare a Dividend of Rs15.30 (153%) per equity share of Rs.10/- each, for the financial year ended on 31st March, 2024.
3. To appoint Shri Dilip H. Bhuta, Director liable to retire by rotation and being eligible, offers himself for re-appointment as a Director.
4. To appoint Shri Krishnan Subharaman as a Non-Executive and Independent Director of the Company.
5. To appoint Shri Pankaj Arun Dantwala as a Non-Executive and Independent Director of the Company.
6. To re-appoint Smt. Hina R. Mehta as a Non-Executive and Independent Director of the Company.
7. To approve the remuneration of Shri Dilip H. Bhuta-Whole Time Director & CFO (DIN-03157252) of the Company for the period from 1st April, 2025 to 31st March, 2027.
8. To ratify the remuneration payable to the Cost Auditor of the Company for the financial year 2024-25.

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With this I hereby thank all the shareholders for their participation at this 39th AGM. I am grateful to all the directors of the Company and partners of the Auditors for joining this meeting from their respective locations.

Please take note that the e-voting facility shall remain open for next 15 minutes to enable those shareholders who have not yet casted their votes, either by remote e-voting or by e-voting during the meeting till now.

The scrutiniser will provide their findings about both the remote e-voting and e-voting done today and the consolidated e-voting result will be announced thereafter. The results can be accessed on the website of the Company and that of BSE Ltd.

With your consent I take your leave now and once again thank you all very much for joining today's meeting and being patience throughout.

And with this, I now declare the meeting as over.

Thank you very much.

Thank you!!!