

“Paushak Limited - Transcript of 48th Annual General Meeting”

3rd August, 2021

Following Directors, Key Managerial Personnel & Auditors of the Company attended the meeting through VC / OAVM

1	Mr. Chirayu Amin	:	Chairman & Member
2	Mr. Amit Goradia	:	Director, Chairman of the Audit Committee & Risk Management Committee
3	Mr. Atul Patel	:	Director, Chairman of Nomination and Remuneration Committee
4	Mr. Vijay Gandhi	:	Director, Chairman of Stakeholders Relationship Committee
5	Dr. Shamita Amin	:	Director & Member
6	Mr. Udit Amin	:	Director & Member
7	Mr. Abhijit Joshi	:	Whole-Time Director & CEO
8	Ms. Manisha Saraf	:	Company Secretary
9	Mr. Shyam Lohia	:	Partner/Authorised Representative of M/s. Maloo Bhatt & Co., Statutory Auditor
10	Mr. Satyanarain Samdani	:	Partner of M/s. Samdani Shah & Kabra, Secretarial Auditors
11	Mr. Ambrish Dixit	:	Chief Operating Officer (COO)
12	Ms. Kirti Shah	:	CFO
13	Mr. R. K. Baheti	:	Group CFO
14	Mr. Rasesh Shah	:	Head, Corporate Secretarial

Transcript:

Company Secretary

Good Afternoon Dear Members

I, Manisha Saraf, Company Secretary of your Company welcome you all at the 48th Annual General Meeting “AGM” of the Company. This meeting is held through Video Conferencing or Other Audio Visual Means without the physical presence of the members at a common venue in accordance with the various Circulars issued by Ministry of Corporate Affairs.

The requisite quorum being present, the meeting is declared in order and open for business. In accordance with the referred circulars, Members attending the AGM through VC / OAVM shall be considered for the purposes of quorum under Section 103 of the Act.

Now, I request Mr. Chirayu Amin, Chairman of the Company to take over the proceedings.

Mr. Chirayu Amin

Good Afternoon Dear Members,

I am Chirayu Amin, Chairman of the Company. I am also a member of Nomination & Remuneration Committee. I am attending the meeting from London.

I hope all of you are safe and are in good health.

I now request all other directors to introduce themselves.

Mr. Atul Patel

Good Afternoon Members, I am Atul Patel, Independent Director and Chairman of the Nomination & Remuneration Committee and member of the Audit Committee and Corporate Social Responsibility Committee of the Company. I am attending the meeting from Vadodara.

Mr. Amit Goradia

Good Afternoon Members, I am Amit Goradia, Independent Director and Chairman of the Audit Committee and Corporate Social Responsibility Committee and Risk Management Committee and member of Nomination & Remuneration Committee of the Company. I am attending the meeting from Vadodara.

Mr. Vijay Gandhi

Good Afternoon Members, I am Vijay Gandhi, Independent Director and Chairman of Stakeholders' Relationship Committee and member of the Audit Committee and Nomination & Remuneration Committee of the Company. I am attending the meeting from Vadodara.

Dr. Shamita Amin

Good Afternoon Members, I am Shamita Amin, Independent Director and Member of the Stakeholders' Relationship Committee of the Company. I am attending the meeting from Vadodara.

Mr. Udit Amin

Good Afternoon Members, I am Udit Amin, Director and member of the Corporate Social Responsibility Committee of the Company. I am attending the meeting from London.

Mr. Abhijit Joshi

Good Afternoon Members, I am Abhijit Joshi, Whole-time Director & CEO and member of the Stakeholders' Relationship Committee and Risk Management Committee of the Company. I am attending the meeting from Vadodara.

Thank you.

Mr. Chirayu Amin

Mr. Ambrish Dixit, Chief Operating Officer of the Company, Mr. Shyam Lohia and Mr. Kishan Bang, Authorised Representative of M/s. Maloo Bhatt & Co., Statutory Auditors and Mr. S. Samdani, Partner of M/s. Samdani Shah & Kabra, Secretarial Auditors and Scrutinizer for this meeting and other company executives have also joined through Video Conferencing.

I now request Manisha, Company Secretary to explain the statutory details pertaining to this meeting.

Ms. Manisha Saraf

Now, I would like to take you through certain statutory details pertaining to this meeting.

The facility for joining this meeting is being available for members on first come first served basis.

The statutory registers as required under the provisions of the Companies Act, 2013 are open for inspection electronically. Members who want to inspect the registers can send their request at investors@paushak.com.

As the AGM is held through VC / OAVM, the facility for appointment of proxies by the members is not applicable and hence the proxy register is not available for inspection.

The Statutory Auditors, M/s. Maloo Bhatt & Co., and Secretarial Auditor, M/s. Samdani Shah & Kabra, has expressed unqualified opinion in the respective audit reports for the financial year 2020-2021.

Since the notice of AGM was already circulated, with the permission of the members, I propose to take the same as read.

In compliance with requirements of the Companies Act, 2013 read with rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of relevant SEBI Circular dated 9th December, 2020 in relation to e-voting facility provided by listed companies, the Company has provided e-voting facility to its shareholders.

The E-voting platform provided by NSDL was open for voting from 9.00 a.m. IST on 31st July, 2021 upto 5.00 p.m. IST on 2nd August, 2021.

Members who have not casted their vote through remote e-voting can cast their vote during the course of the meeting.

M/s. Samdani Shah and Kabra, Practising Company Secretaries has been appointed as scrutinizer to scrutinize the votes cast through remote e-voting and during the meeting.

Before we proceed further, I would like to take you through certain points regarding the question & answers session at this meeting.

- a) Once the session starts, I, will announce the name of the shareholder who have registered themselves as a speaker shareholder. The speaker shareholder will thereafter be unmuted by the host. Shareholders are requested to click the video-on button. If the shareholder is not able to join through video for any reason, the shareholder can speak through audio mode. While speaking, we request shareholders to use earphones so that their voice is clearly audible.
- b) The facility of raising the questions / queries through chat box option is also provided by the Company.
- c) During the meeting, if the member faces any issue, he/she may contact helpline no. mentioned in the Notice of AGM.

Please note that the Management will respond to your questions / queries after taking questions from all the shareholders including the questions received through the chat box.

Now we request Mr. Nirav Jimudia to unmute himself and kindly proceed with the question.

Mr. Nirav Jimudia

Good Afternoon Board members and the entire team of Paushak, I have 3-4 questions to ask so my 1st question is; our Annual Report between 2016 & FY21 shows employee addition of roughly 63 employee. I believe majority would be towards expansion but like if you can help us explain the distribution of this addition towards Strengthening the top positions across business verticals, Exploring new businesses R & D, Marketing and People working on new products and processes. So this is my first question.

So my second question is, we have invested roughly 130 crores in last 11 years. so if you can help us explain how much of this is attributable to increase in plant and machineries or gross block, and how much is for upgradation of existing facilities, one statement is mentioned in the annual report about hired some independent consultants to create world class facilities so as to expand, some portion of the expenditure going towards upgradation of our plant also and along with it if you can highlight more thing like there is an increase of four crore in the legal and professional fees in the, in the financial statement, this is with respect to the consultancy fees, which we have paid for, for hiring their services.

And last but not least is, how the market size in India for is forecasted in agrochemical and pharma products in India. And if you can help us explain how this market is growing in last five years and our market share in that. Thank you very much.

Ms. Manisha Saraf

Thank you Sir, we have noted your questions and the Management will answer your question.

We have also received questions / queries through the chat box. Now, I will read out all of them, one by one.

There is a questions from one shareholder.

How is this china +1 working for Paushak?

How is the capex planning out any new set of opportunities identified?
What is our sales for new product in last three years of our total sales?

So now this is all, there's only one question which has been received from the shareholder.
I request Mr. Dixit to respond to the queries / questions raised by the shareholder.

Mr. Ambrish Dixit

So, thank you everyone for being here. And I think this was opportunity to answer this question. So see on the 31st of March 2016, as per our Annual Report we had 176 Employees, which have actually increased to 283 on 31st of March 2021. So actually we have an addition of all 107 employees.

And these capabilities has been added across the level, with the aim to emerge as a technology driven specialty Chemical Company, which includes optimizing and scaling up existing product as well as new product and so I would say there's no separate vertical or per se, but they only overlap with each other and supplement each other to take Paushak to next level. Coming to your second question regarding the investment, so in last five years, we have invested the majority of the capex of about 120 crore rupees . And we are further investing another 40 cr this year on Capex. Out of this total 160 crores of capex as on 31st March 2021, large part of it, about 68 crore rupees was in CWIP. This Capex is largely on manufacturing facilities, required utilities and infrastructure plus R&D investments. We have also invested almost 14 Crore Rupees in a windmill few years back. It was primarily for captive power.

Now coming to the third question regarding the phosgene based Agro chemical and pharma production growth. So, the area in which we can operate-in as a matter of interest is around 500 cr where Paushak is currently selling only 120cr. around, so I think you know there is a reasonable market available for us. And it is having a very strong possibility of import substitution.

And obviously as you know this, somebody has asked about the China +1 strategy as well. So I think they have a what we see as a company that has a strong opportunity within India and from export market as well. And this opportunity anyway has been there for some good time now.

Coming to the third, fourth question which is regarding the legal and professional fees. Besides regular legal and professional fees, the balance is largely on account of fees paid to the international consultants, which cannot be capitalized as per accounting provisions and professional fees for consultancy for your existing plants, approvals etc. So, this is finally, you know, borne for that purpose.

But coming back to again China +1 question. I think as a company, we have a strong belief, we have reasonably good opportunity within the Indian market within export market, there are a lot of customers who have shown interest.

So, one side we are further scaling up our existing products to ensure that we remain number one in the market or to ensure that you know we provide Import substitution within India. In the meanwhile we are also working with certain new clients on the global scale, where we are taking on new products. So I would say New products are at an essence said We reasonably size of our current business from these new products. And as we scale up, definitely that will go.

Thank you

Manisha Any other question?

Ms. Manisha Saraf

We have received one more question sir.

Timeline of expansion and Peak sales from expansion or to the question to is any opportunity phosgene CRAMS?

Mr. Ambrish Dixit

So, we have already announced; this capex we are expecting to get over by H1 & we believe that this accruals will start happening from H2 onwards. Now because of the corona obviously all projects have got delayed across the industry, not only with Paushak. So obviously, I think this point of time there are delays, because this covid situation last year as well as this year. But we do believe that you know these accruals will start coming from H2 but the full year benefit would be definitely available only next year. And then, I think it would be reasonable size of the business which will be coming in. Second, and what are the last question Manisha regarding.

Ms. Manisha saraf

Sir that is, any opportunity for phosgene crams?

Mr. Ambrish Dixit

Yes. So in fact, we have been exploring with customers. And as we scale up, and as we have a spare part of our capacity we will be definitely going further, but I think it would be very early to make a comment on that.

Manisha, so that's all. I will then take this opportunity to hand over proceedings to Chairman sir. Thank you.

Mr. Chirayu Amin

With this, we have concluded responding to all your queries. In case if any query has remained unanswered, members may please send the same at our registered email id. Our team will endeavour to respond to you at the earliest.

I would like to thank all the Directors & members for joining this meeting through VC.

Before closing the meeting, I once again wish you good health and be safe.

I request Manisha to take it forward.

Ms. Manisha Saraf

Members may please note that the voting on NSDL platform will continue to be available for next 15 minutes to enable the members who have not casted their vote yet and who would like to cast their vote.

The results of the voting will be announced on or before 5th August, 2021 and the same would be available.

We have 67 no. of shareholders have attended this meeting.

With this the meeting is concluded. Thank you.

Please find hereunder web-link to access the recording of the proceedings of 48th Annual General Meeting of the Company:

[https://www.paushak.com/videos/APL AGM Recording/Paushak Limited- AGM Recording FY 2020-21.mp4](https://www.paushak.com/videos/APL%20AGM%20Recording/Paushak%20Limited-AGM%20Recording%20FY%202020-21.mp4)