

Transcript of the Fourteenth (14th) Annual General Meeting of Zuari Agro Chemicals Limited held at 3.00 P.M. (IST) on Wednesday, 27th September, 2023

(Please note that the transcript has been edited for the purpose of clarity and accuracy)

Moderator : So we are live now and you can start with the proceedings.

Mr. Manoj Dere, Company Secretary: Good Afternoon and a very warm welcome to the Directors and all the Members to this Fourteenth Annual General Meeting of your Company. The requisite quorum is present.

Due to pre-occupation, Mr. Saroj Kumar Poddar, Chairman of the Board has expressed his inability to attend this meeting.

I request the Directors present to elect Chairman among themselves of the meeting.

Mr. Athar Shahab, Non-Executive Director : I propose the name of Mr. Akshay Poddar as Chairman of this meeting.

Mr. Dipankar Chatterji: Seconded

Mr. Manoj Dere, Company Secretary: On behalf of you all, I welcome Mr. Akshay Poddar and request him to take the Chair of this AGM.

Mr. Akshay Poddar, Chairman of the meeting : Thank You, I welcome all of you to the 14th AGM of Zuari Agro Chemicals Limited. As per the Circulars issued by the Ministry of Corporate Affairs and SEBI, this meeting is held through Video Conferencing and Other Audio Visual Means without the physical presence of members at a common venue. The venue of the meeting shall deem to be the Registered office of the Company at Jai Kisaan Bhawan, Zuarinagar, Goa. The Company has taken steps to provide the members, an opportunity to participate in the AGM and vote and accordingly, the facility for appointment of proxies by the Member is not available for this AGM. If due to any connectivity issues, I am disconnected, with your permission, I request Mr. Athar Shahab, Non-Executive Director to Chair the meeting during such disconnection.

The statutory registers are kept open and available for your inspection electronically. Before we start with the proceedings of this meeting, let me introduce my colleagues on the Board of Directors. Mr. Athar Shahab, Non-Executive Director, Mr. Nitin M. Kantak, Executive Director, Mr. Dipankar Chatterji, Independent Director, Mrs. Reena Suraiya, Independent Director and Mr. Sanjeev Lall, Independent Director. Mr. Amandeep is unable to join due to some pre-occupation.

We also have Mr. Manoj Dere, Company Secretary, Mr. Manish Malik, Chief Financial Officer and the representatives of the Statutory Auditors, Cost Auditors and Secretarial Auditor present at this meeting.

As the quorum is present, I call this meeting to order.

Before we begin with the formal agenda, I would like to take you through highlights of Company's performance during 2022-23.

- As per the terms of Business Transfer Agreement dated 1st March 2021, the transfer of Goa Plant & associated businesses as a going concern on a slump sale basis to Paradeep Phosphates Limited (PPL) was consummated with effect from 06:00 hours on June 01, 2022. The Company has repaid all its working capital loans post receipt of balance Purchase Consideration from the sale of Goa Plant from PPL.
- During the year 2022-23, unlisted, redeemable, non-convertible Debentures of the value of Rs. 10 crores and Rs. 25 crores were allotted on 5th April, 2022 and 25th May, 2022 respectively on private placement.
- During the year 2022-23, the revenue from continued operations (Standalone) for the year ended 31st March, 2023 was Rs. 16,500 Lakhs and discontinued operations was Rs. 27,883 Lakhs as compared to continued operations of Rs. 8,301 Lakhs and discontinued operations of Rs. 2,51,139 Lakhs for the previous year ended 31st March, 2022.
- The profit before tax for the year ended 31st March, 2023 from continuing operations was Rs. 38,667 Lakhs and loss before tax from discontinued operations was Rs. 1,521.52 Lakhs as compared to loss from continued operations of Rs. 7,776 Lakhs and from discontinued operations of Rs. 452 Lakhs for the previous year. The profit after Tax from continuing and discontinuing operations stood at Rs. 29,386 Lakhs for the year ended 31st March, 2023 as compared to loss of Rs. 8,345 Lakhs for the previous year.
- During the year 2022-23, Zuari Farmhub Limited, (ZFL) a subsidiary of the Company has allotted 78,55,60,000 equity shares of Rs. 10/- (Indian Rupees Ten) each to the Company on 15th June, 2022, on account of conversion of 7,85,560 Compulsorily Convertible Debentures ("CCD") of face value of Rs. 10,000 held by the Company in ZFL.
- In accordance with Section 66 of the Companies Act 2013, ZFL had filed Scheme for Reduction of its Share Capital ("Scheme") before the National Company Law Tribunal, Mumbai Bench (NCLT) by way of setting off its Equity share capital against negative capital reserves as appearing on 30th June, 2022. The same has been approved by the NCLT, Mumbai Bench, vide its Order dated 4th May, 2023 and the Scheme has become effective from the appointed date i.e. 1st July, 2022.
- To give effect to the capital reduction, ZFL has cancelled and extinguished 69,89,67,400 equity shares with face value of Rs. 10 each in their books. Accordingly, the Company has reduced its carrying value of investment in ZFL by Rs. 698.97 Crores and loss arising on the same has been disclosed under exceptional items in profit and loss statement by the Company.
- During the year, the Company sold 4 Lakhs equity shares of Rs. 10/- each held in its wholly owned subsidiary, Zuari Farmhub Limited ("ZFL") to an unrelated party. Consequently, ZFL ceased to be a wholly owned subsidiary of the Company with effect from 20th March 2023 but continues to be a subsidiary of the Company.
- The Board at its meeting held on 31st March, 2023 approved the liquidation and winding of Adventz Trading DMCC, a wholly owned subsidiary, subject to necessary approvals.

We will now proceed with formal agenda of the meeting.

The notice convening this AGM along with copy of the Annual Report were circulated to the members electronically. With your permission, we shall take them as read.

As per the Companies Act, 2013, any qualifications, observations, or comments having adverse effect on the financial transactions or matters which have any adverse effect on the functioning of the Company mentioned in the Auditors' Report be read out in the AGM. As you may see, there are no such qualifications, observations or comments made in the Auditors' Report, and hence the same may be taken as read with the permission of the members.

I would also like to mention that pursuant to the provisions of the Companies Act, 2013, it is mandatory to provide remote e-voting facility to the members to exercise their votes. Accordingly, the Company has provided remote e-voting facility which began at 10.00 AM on 24th September, 2023 and ended at 5.00 PM on 26th September, 2023. For those who are participating in this meeting through Video Conference and have not casted their vote through the remote e-voting are eligible to vote through the e-Voting system made available on the e-voting platform of CDSL. Since all the resolutions are already put for remote e-voting, the resolutions are not required to be proposed and seconded.

We will now begin with Items No. 1 (a) & 1(b) which relates to the adoption of the audited accounts.

The Audited Financial Statements of the Company for the financial year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023 and the Report of the Auditors thereon are already with the members. With the permission of the members, the same may be taken as read.

I request the Company Secretary to read out the text of the following Ordinary Resolution:

“RESOLVED THAT the Standalone Audited Balance Sheet of the Company as at 31st March, 2023, the Statement of Profit and Loss together with the schedules and notes thereon for the year ended on that date, the Standalone Cash Flow Statement for the year ended 31st March, 2023 together with the Reports of Board of Directors and Auditors be and are hereby approved and adopted.

RESOLVED FURTHER THAT the Consolidated Audited Balance Sheet of the Company as at 31st March, 2023, the Consolidated Statement of Profit and Loss together with the schedules and notes thereon for the year ended on that date, the Consolidated Cash Flow Statement for the year ended 31st March, 2023 together with the Reports of the Auditors, be and are hereby approved and adopted.”

Mr. Akshay Poddar, Chairman of the meeting : Thank You

Item No. 2 relates to appointment of a director in place of Mr. Nitin M. Katak (DIN: 08029847) who retires by rotation and being eligible offers himself for re-appointment.

I request the Company Secretary to read out the text of the following Ordinary Resolution:

“RESOLVED THAT Mr. Nitin M. Katak (DIN: 08029847), an Executive Director, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

Mr. Akshay Poddar, Chairman of the meeting : Thank You

We will now move to the **Special Business** on the Agenda.

Item No. 3 is for ratification of payment of remuneration payable to M/s S. S. Sonthalia & Co., Cost Auditors. I place for approval, the resolution for ratification of the payment of remuneration to the Cost Auditor for the year 2023-24 by an Ordinary Resolution as contained in the Notice of the AGM.

Item No. 4 is the waiver of recovery of excess remuneration paid to Mr. Sunil Sethy, then Managing Director for Financial Year 2019-20. I place for approval, the resolution for waiver of recovery of excess remuneration paid to Mr. Sunil Sethy, Managing Director for Financial Year 2019-20 by Special Resolution as contained in the Notice of the AGM.

Item No. 5 is regarding shifting the Registered Office of the Company from the State of Goa to the State of Haryana and consequent alteration of Clause II of Memorandum of Association of the Company. I place for approval, the resolution for shifting of the Registered Office of the Company from the State of Goa to the State of Haryana and consequent alteration of Clause II of Memorandum of Association of the Company by Special Resolution as contained in the Notice of this AGM.

The Company had asked the members to register themselves as speaker by sending their request in advance at least 7 days prior to this meeting. We have received request from 04 members to speak at this AGM. I now request the members to speak and restrict their queries to the Annual Report of 2022-23.

May I first request Mr. Praful Chavda to speak first.

Moderator : Sir, Mr. Praful Chavda is not available.

Mr. Akshay Poddar, Chairman of the meeting : Then we go Mr. Bakshi , Mr. Jaydip Bakshi .

Moderator : Sir, Mr. Jaydip Bakshi is not available.

Mr. Akshay Poddar, Chairman of the meeting : Then we go Davos Finservices .

Moderator : Not available

Mr. Akshay Poddar, Chairman of the meeting : Mr. Abhishek J

Moderator : Yes sir, one minute sir.

Moderator : Mr. Abhishek J, you can go ahead unmute yourself.

Moderator : Mr. Abhishek, please unmute yourself.

Mr. Akshay Poddar, Chairman of the meeting : Mr. Abhishek we can't hear you, you have to unmute.

Mr. Abhishek J, Shareholder: First of all I would like to know, what are the steps being taken by management to reduce other expenses legal, professional charges and the audit fees. Myself and my team are running legal firm. So request to kindly consider my firm for appointment in the Company, I will be glad to extend our services sir. I request the management team to consider hybrid AGMs in the years to come, because most of the senior citizens are not able to join the meeting because of challenges, you consider hybrid AGMs lot of shareholders can join you and you can get valuable points, suggestions and ideas that will be helpful for the management in future and in hybrid AGMs local shareholders can join, basically PAN India shareholder can join virtually and in CDSL and NSDL I request you to update the inspection of documents like register of members, register of KMPs, register of contracts, if any . Nothing much to ask sir. I have already sent my questions through email. The Company has good corporate governance and I don't want to repeat the same questions again on this platform. I thank the Company Secretary and the entire team for sending the link well in advance and making this Annual General Meeting a grand success. I wish the Company and the Board of Directors a great success and prosperity in coming future and thank you for giving the opportunity.

Mr. Akshay Poddar, Chairman of the meeting : Thank you Mr. Abhishek. Definitely you know, as far as conducting the meeting virtually or on hybrid mode it completely depends on what rules are currently the SEBI and MCA allows us to hold these meeting on virtual basis if they continue to allow us to do that next year will definitely consider doing hybrid or virtual meeting because this as you correctly mentioned it allows lot of shareholders to participate and give their suggestions at the AGMs and Nitin would you like to say anything regarding anything on the other comments made by Mr. Abhishek.

Mr. Nitin M Kantak, Executive Director: Ya Abhishek had sent us about 15 questions, in fact last few years we have received the same and these are more related to COVID and how COVID was handled so we have already responded to all his queries yesterday he would have definitely received the reply from us and basically for last year we didn't have any challenges because of COVID because COVID was mostly in the previous 2 years and his specific queries have already been replied to yesterday. Abhishek, hope you have received our email giving detailed response to all the questions you have raised.

Mr. Akshay Poddar, Chairman of the meeting : Thank you Nitin and if there are any further queries, please feel free to write to the Company and will be respond to your specific questions.

May I now request those members who have not casted their votes by remote e-voting, to cast their votes electronically now. The relevant resolutions which were placed before the members for remote e-voting, are also placed for e-voting. The Board has appointed Mr. Shivaram Bhat, Practicing Company Secretary to act as the Scrutinizer for e-voting including remote e-voting. Time period of 15 minutes would be available for casting your votes electronically at this meeting after which the meeting will stand closed.

The Scrutinizer shall submit the consolidated report of the total votes casted to Mr. Nitin M Kantak, Executive Director or to Mr. Manoj Dere, Company Secretary who shall declare the results immediately after receipt of the consolidated report from the Scrutinizer. The results of the voting will be announced within 2 working days of conclusion of the AGM and the same will available on website of the Company and will also be submitted to BSE Limited and NSE Limited.

With this, the formal part of the 14th Annual General Meeting comes to an end. I would like to thank you all for attending this AGM, and I hereby declare this meeting stands concluded at the end of 15 minutes. Thank you everybody for joining and wish you a very good health.

Mr. Athar Shahab, Non-Executive Director : Thank you Chairman

Mr. Manoj Dere, Company Secretary : Thank you Sir.

Mr. Nitin M. Katak, Executive Director : Thank you Everybody thank you.