

**Transcript of the 12<sup>th</sup> Annual General Meeting of Zuari Agro Chemicals Limited held at 4.00 P.M. (IST) on Friday, 17<sup>th</sup> September, 2021**

**Mr. Vijayamahantesh Khannur, Company Secretary:** We will start Sir, Good morning and a warm Welcome to the Directors and all the shareholders to the Twelfth Annual General Meeting of your Company. The time is 4.00 P.M. and the requisite quorum is present. We have our Chairman Mr. Saroj Kumar Poddar who would chair this Annual General Meeting. On behalf of you all, I welcome Mr. Saroj Poddar and request him to chair this AGM.

**Mr. Saroj Kumar Poddar:** Ladies and Gentlemen, welcome all of you to the 12<sup>th</sup> 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 Auditor Visual Means. The Company has taken steps to provide the shareholders, an opportunity to participate in the AGM and vote. Due to any connectivity, I'm disconnected, with your permission, I would request Mr. Suresh Krishnan to chair the meeting during such disconnection.

The statutory registers are kept open and available for inspection electronically. Before we start the meeting let me introduce my colleagues on the Board of Directors. I began with Mr. Akshay Poddar, please raise your hands, Mr. Suresh Krishnan, Mr. Marco Wadia, Ms. Reena Suraiya, Mr. Dipankar Chatterji, Mr. Chandrasekaran and Mr. N. M. Kantak, Executive Director. So all the Directors are present at this meeting.

We also have Mr. R K Gupta, CFO and Mr. Vijay, Company Secretary and the representatives of statutory auditors and secretarial auditor are also present at this meeting.

As the quorum is present, I call the meeting to order. Before we begin the formal agenda, I would like to take you through highlights of company's performance during 2020-21.

During the year 2020-21, Ammonia Urea plants operated at near normal levels except for a temporary period when plants operated at a lower load due to disruption in bagging operations once again due to COVID -19 pandemic. However, NPK plants were running intermittently due to non-availability of raw materials. This resulted in decrease in production and adversely effected the cash flow.

The funds infused by the Promoters and entering into an escrow account for payments to clear GAIL dues through subsidy collection, ensured uninterrupted running of Ammonia & Urea plant and reduced the treasury burden of the Company during FY2021.

Post ensuring regularization of all accounts in FY20 and attending to all operational issues like supply of gas from GAIL, Zuari approached all banks for openings of Letters of Credit for procurement of raw material. But majority of lenders did not provide adequate support and reduced sanctioned limits. Consequently, this resulted in inadequate working capital limits to run the plant at optimum level. However, the NPK plants were run intermittently with the support of PPL.

You are aware, Ladies and Gentlemen, the Company has entered into a Business Transfer Agreement with Paradeep Phosphates Limited for sale of Company's fertilizer plant at Goa, at an enterprise value of USD 280 million (equivalent to Rs.2050 Cr) subject to necessary approvals. Paradeep Phosphates has obtained approvals of the Competition Commission of India for acquisition of Goa plant and has also filed draft red herring prospectus with SEBI for

IPO to raise funds for purchase of the Goa plant. We expect the Goa plant sale to be completed by next quarter.

We are in the process of raising equity to the tune of USD 46.5 million in Zuari Farmhub being 30% of Enterprise value of Farmhub (wholly owned subsidiary of the Company) for which confirmatory due diligence is under progress and the Company has signed Heads of Agreement with OCP for the farmhub business.

During the year 2020-21, the revenue from continued operations on Standalone basis for the year ended 31st March, 2021 was 10.63 lakhs, discontinued operations was Rs. 2,219 Crores as compared to 50 Crores and 2,268 Crores respectively for the previous year. The operations of Goa plant are considered as discontinued operations as per accounting standard in view of its proposed sale to PPL.

The loss for the year ended 31st March, 2021 from continuing operation was 101 Crores and 136 Crores from discontinued operations as compared to profit from continued operation of 526 Crores and loss from discontinued operations of 686 Crores for the previous year. The loss after tax from continuing and discontinuing operations stood at 237 Crores for the year ended 31st March, 2021 as compared to a loss of 189 for the previous year.

In order to comply with the revised energy norms, Company has conceptualized Energy Savings Project which target Specific Energy Consumption of Urea at 6.1 GCal/MT at approximate capital outlet of Rs.380 crores. The project was not proceeded due to liquidity issue. The major features of the energy saving project are Revamp of the 2 Ammonia Synthesis Converters, CO2 Removal Section of the Ammonia Plant, Revamp/ Replacement of the Driver Steam Turbine(s) of the Syngas Compressor. These all are expected to be completed in 2022-23 and 2023-24.

The Company continues to be certified for excellence certification of 'Protect & Sustain" stewardship from International Fertiliser Association. The Green Triangle Society, Goa in association with the Inspectorate of Factories & Boilers have awarded "Gomant Suraksha Puraskar" to the Company for the Outstanding Safety Performance in Occupational Safety, Health & Environment.

Various programmes undertaken by the Company through CSR are skills development programmes, slum development, provision of sanitation, health and education facilities and scholarships for economically backward children. Despite losses, the Company spent about 58 lakhs in implementing the CSR schemes.

Can we now proceed with the formal agenda of the meeting.

The notice convening the meeting along with the 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 qualification, observation or comments having adverse effect on the financial transactions or on matters, which have any adverse effect on the functioning of the Company mentioned in the auditors report, be read out in the Annual General Meeting. As you see there are no such qualifications observations or comments made in the Auditors Report and the same is not being directed therefore, to be read by the Company Secretary.

Also like to mention that pursuant to the provisions of Companies Act, 2013 it is mandatory to provide remote e-voting facility to the members to exercise their votes. Accordingly, the Company had provided remote e- voting facility, which began at 10.00 A.M. on September 14, 2021 and ended at 5.00 P.M. on September 16, 2021. For those who are participating in this meeting through Video Conferencing and have not yet, cast their votes through remote e-voting are eligible to vote through e-voting system made available in the e-voting platform of CDSL. Since all the resolutions are already put up for remote e-voting, the resolutions are not required to be proposed and second.

We will now begin with Item No. 1 (a) & (b)

The Audited Financial Statements of the Company for the financial year ended 31 March, 2021 and the report of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the year ended 31 March, 2021 and the report of auditors, thereon are already with the members .The text of the ordinary resolution for adoption of audited accounts is made available at the e-voting portal.

The Company had asked shareholders to register themselves as speakers by sending their request in advance at least seven days prior to the meeting. We have received requests from 2 shareholders to speak at the meeting. I request members to restrict their queries to the Annual Report, 2020-21.

May I request, first request Mr. Yusuf Rangwala to speak.

**Mr. Vijayamahantesh Khannur** : Pravin, Can you please check if Mr. Yusuf Rangwala has joined the meeting.

**Host (Pravin)** : Mr. Yusuf Rangwala is not joined the meeting, Sir, you may call the next name please.

**Mr. Saroj Kumar Poddar**: May I now request Mr. Abhishek J to speak.

**Mr. Vijayamahantesh Khannur** : Praveen, Can you please check if Abhishek is there.

**Host (Pravin)**: Not available Sir,

**Mr. Saroj Kumar Poddar** : Not there

**Host (Pravin)** : Not available Sir

**Mr. Vijayamahantesh Khannur** : Both have not joined, Sir

**Mr. Saroj Kumar Poddar**: So two people asked for speaking and both have not joined.

Next item on the agenda is to appoint a director in place of Mr. Suresh Krishnan who retires by rotation and is eligible for re-appointment.

The text of the ordinary solution is available at the e-voting portal.

Next item on the agenda is Item 3 is to appoint a statutory auditors and fix their remuneration I place for approval the appointment of M/s. K.P. Rao & Co., Chartered Accountants as Auditors of the Company in place of retiring auditors, M/s. S. R. Batliboi & Co. by an Ordinary Resolution as contained in the Notice.

We will now move to the special business on the agenda

Item No. 4 is ratification of remuneration payable to cost auditor. I place for ratification the payment of remuneration to Cost Auditor for the year 2021-22 by an Ordinary Resolution as contained in the Notice of the AGM.

Item 5 is Waiver excess remuneration paid to former Managing Director, Mr. Sunil Sethy, for Financial Year 2020-21. I place for approval the waiver of excess remuneration paid to Mr. Sethy, for Financial Year 2020-21 amounting to Rs.7,13,200/- by a Special Resolution as contained in the Notice of the AGM

Item No. 6 is for appointment of Mrs. Reena Suraiya as an Independent Director for a period of three years from 24th June, 2021 to 23rd June, 2024, not liable to retire by rotation. I place for approval the appointment of Mrs. Reena Suraiya as an Independent Director of the Company by an Ordinary Resolution as contained in the Notice of the AGM.

May I now request those members who have not cast their votes by remote e-voting, to cast their votes electronically. I hereby appoint Mr. Shivaram Bhat, Practicing Company Secretary as a Scrutinizer who was appointed as Scrutinizer for remote e-voting. Time period of 15 minutes would be available to you for casting your votes electronically at this meeting after which the meeting will stand closed.

The Scrutinizer will submit a consolidated report of the total votes casted to Mr. Nitin M Kantak, Executive Director or Mr. Vijay, 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 days of conclusion of this AGM.

**Mr. Vijayamahantesh Khannur** : Pravin can you please enable Mr. Vishal Sharma, Partner of our retiring auditors.  
Vishal can you hear us

**Mr. Vishal Sharma** : Yeah I can, Can you hear me.

**Mr. Saroj Kumar Poddar** : Yes Yes. we can hear.

**Mr. Vishal Sharma** : Ok ok. As we retire as the statutory auditors of the Company at this AGM, on behalf of the Firm I would like to thank the management and the shareholders of Zuari Agro Chemicals Limited for providing us an opportunity to work as statutory auditors of the Company. We wish all the best to the Company, its shareholders and the management. Thanks

**Mr. Saroj Kumar Poddar** : Thank you Vishal. Thank you Vishal.

With this Ladies and Gentlemen, the formal part of the 12th AGM comes to an end, I would like to thank one and all of you who have attended this meeting. I hereby declare the meeting as closed. Thank you

**Mr. Vijayamahantesh Khannur** : Pravin you can stop the recording.

**Host (Pravin)** : Okay.