

TRANSCRIPT OF THE 72ND ANNUAL GENERAL MEETING OF FERMENTA BIOTECH LIMITED HELD AT 3:00 P.M. (IST) ON MONDAY, AUGUST 12, 2024, THROUGH VIDEO CONFERENCING / OTHER AUDIO-VISUAL MEANS

Participants: Directors and Key Managerial Personnel of the Company, Auditors and 55 shareholders.

1. Mr. Pradeep Chandan	-	Independent Director and Chairman of the Board, Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee
2. Ms. Rajeshwari Datla	-	Non-Executive Director
3. Ms. Rajashri Ojha	-	Independent Director and Chairman of Risk Management Committee
4. Mr. Pramod Kasat	-	Independent Director and Chairman of Nomination and Remuneration Committee and Independent Directors' Committee (Business Restructuring)
5. Mr. Krishna Datla	-	Executive Vice Chairman
6. Ms. Anupama Datla Desai	-	Executive Director
7. Mr. Satish Varma	-	Executive Director
8. Mr. Prashant Nagre	-	Managing Director
9. Mr. Sumesh Gandhi	-	Chief Financial Officer
10. Mr. Varadvinayak Khambete	-	Company Secretary
11. Ms. Poonam	-	Representative of S.R.B.C. and Co., Statutory Auditors
12. Mr. V.N. Deodhar	-	Secretarial Auditor and Scrutinizer

Transcript of the 72nd AGM of Fermenta Biotech Limited

Mr. Varadvinayak Khambete:

“Good afternoon, shareholders, Directors on the Board, ladies and gentlemen, the time is 3 pm now. I welcome you all to the 72nd Annual General Meeting of Fermenta Biotech Limited. In accordance with the provisions of the Company Act, 2013, SEBI Listing Regulations and various circulars issued by the Ministry of Corporate Affairs, the Securities Exchange Board of India, this meeting is being convened electronically through video conferencing or other audio-visual means. I welcome Mr. Pradeep Chandan, our Chairman and request him to preside over the Annual General Meeting.”

Mr. Pradeep Chandan:

“Good afternoon & Namaste shareholders and my colleagues on the Board. I am Pradeep Chandan, Independent Director, the Chairman of the Board, the Chairman of the Audit Committee, CSR Committee, the Stakeholders Relationship Committee, and the Chairman for this meeting. I am attending this AGM from the company's registered office at Thane. I have great pleasure in welcoming you all to the 72nd Annual General Meeting of your company and thank you for joining us today.

The requisite quorum for this meeting is present, and with your permission, I shall commence the proceedings. I will now introduce my colleagues on the Board and Key Managerial Personnel who are attending this AGM through video conferencing. I would like to start with Mrs. Rajeshwari Datla, a Non-Executive Director. She is the member of Audit Committee and Nomination and Remuneration Committee. She is attending this AGM from the company's registered office at Thane. Our next director is Mrs. Rajashri Ojha, an Independent Director. She is the chairperson of Risk Management Committee and member of Audit, Nomination and Remuneration Committee and CSR Committees. She is attending this AGM from the company's registered office at Thane. Let me welcome Mr. Pramod Kasat, an Independent Director and the Chairman of the Nomination and Remuneration Committee and member of the Audit and Stakeholders Relationship Committee. He is attending this AGM from the company's registered office at Thane. Let me also welcome Mr. Krishna Datla, Executive Vice Chairman. He is the member of Stakeholder Relationship Committee and CSR Committee. He is attending this AGM from his residence at Juhu, Mumbai. Our next Director is Mrs. Anupama Datla Desai, an Executive Director. She is attending this AGM from the company's registered office at Thane.

Now, I would like to introduce Mr. Prashant Nagre, our Managing Director. He is the member of Risk Management Committee. He is attending this AGM from company's registered Office at Thane. Let me welcome Mr. Satish Varma, an Executive Director. He is the member of the Stakeholder Relationship Committee, CSR Committee and Risk Management Committees. He is attending this AGM from the company's registered Office at Thane.

Now, let me introduce key managerial personnels of the company. Mr. Sumesh Gandhi, CFO of the company He is attending the AGM from the company's registered office at Thane. Mr. Varadvinayak Khambete, Company Secretary. He is attending this AGM from the company's registered office at Thane. I also welcome Ms. Poonam Tadarwal, the representative of SRBC and Co., statutory auditors of the company, and Mr. V. N. Deodhar, Practising Company Secretary, who is our Secretarial, Auditor and the Scrutinizer for this meeting as well.

The Annual Report 2024 including the notice of the AGM, has been mailed electronically to the shareholders of the company. The same has been uploaded on the company's website, BSE website, and Link Intime websites. With your permission, I take the notice convening the 72nd Annual General Meeting, as read. The Register of Directors, Key Managerial Personnel and their shareholding, the Register of Contracts and other relevant documents referred to in the AGM notice are available electronically for inspection by the shareholders during the AGM. The link is provided in the InstaMeet portal. The Auditor's Report issued by SRBC and Co. does not contain any qualification or observation on the financial statements of the company for the financial year ended 31st March 2024. Hence, with your permission, I take the same as read.

Ladies and gentlemen, before I move on to brief you on your company's performance for the financial year, 2023-24, I am happy to share with you all that the US FDA has issued an Establishment Inspection Report for your company's manufacturing facility at the Dahej, Gujarat, with no observations as to any significant objectionable conditions, and the inspection has been successfully closed by the US FDA, which is good news for your company.

Financial year, 2023 24 presented certain unexpected challenges marked by economic uncertainties and market disruptions. The market conditions in the vitamin segments affected sales volumes. Additionally, the global economic uncertainties, inflationary pressures and geopolitical tensions led to fluctuating raw material costs and operational difficulties. However, despite these difficulties, we remained resilient and committed to address these issues through strategic adjustments and operational improvements. By adopting a disciplined approach to spending and streamlining processes, we maintain financial stability and operational efficiency.

The employees of your company showed extraordinary commitment to seamlessly deliver our products and services to our customers, for which I continue to be grateful to them. Let me update you regarding the financials of the company. In the financial year, 2023-24 the company recorded a total income of Rs 31,524 lakhs on a standalone basis, as against a total income of Rs 33,738 lakhs for the previous financial year 2022-23. The net loss in the financial year 2023-24 was Rs 1,874 lakhs, as against a net loss of Rs 5,700 lakhs in the corresponding financial year 2022-23. On a consolidated basis, in financial year 2023-24, the company recorded a total income of Rs 34,747 lakhs, whereas In financial year 2022-23, the total income earned was Rs 35,854 lakhs. A consolidated net loss of Rs 2,400 lakhs was recorded in the financial year 2023-24 as compared to a net loss of Rs 5,313 lakhs in financial year 2022-23

In the vitamin D3 business, the animal nutrition market continued to experience lower feed prices over the past year as well. However, historical trends suggest that market cycles typically rebound after periods of decline. On the human nutrition front, we noticed that the demand for vitamin D3 is coming back to pre-pandemic levels and we anticipate the volumes would pick up once the existing inventory in the global supply chain, which was built up during the pandemic, is exhausted.

During the financial year, 23-24, your company successfully commercialized new products like Vitamin K1, fortified rice kernels and customized premixes, thereby expanding Fermenta's reach and influence in the nutrition segment. The strategic product portfolio diversification is intended to reduce our resilience on any single product line. With this, on the dividend, I'm pleased to inform you that your board has recommended a final dividend of 25%, i.e., Rs 1.25 per equity share of Rs 5 each for the financial year ending 31st March 2024 for shareholders' approval.

Let me brief you about the financial performance in the first quarter of the financial year 2024-25. In the first quarter, the company, on a standalone basis, recorded a total income of Rs 7,532.52 lakhs, and a loss after tax of Rs 485.03 lakhs. In the corresponding first quarter of the financial year, 2023-24, the total income was Rs 7,882.95 lakhs and profit after tax was Rs 478.91 lakhs, respectively. On a consolidated basis, the company recorded total income of Rs 8,094.95 lakhs in the first quarter of the financial year 2024-25 and a loss after tax of Rs 593.30 lakhs. The consolidated total income for the corresponding first quarter of financial year 2023-24 was Rs 8,445.50 lakhs and a profit of Rs 2211.4 lakhs.

Despite the current difficult business environment, your company is well-positioned to sustain growth in the long term. I am happy to mention about the following awards.

- Your company won the Excellence in Pharma Supply Chain Management award in 2023 from the Institute of Supply Chain Management.
- Our independent director, Mrs Rajeshri Oja, has been awarded the “Women of Excellence Award 2024” by the Indian Achievers Forum and Achievers World in recognition of her professional achievement and contribution towards nation-building. We must congratulate her.

Over the years, your company has been engaged in several CSR activities and has focused on strengthening and partnering with various sections of the society through well thought out initiatives such as support to National Association of Blind, Paraplegic Rehabilitation Centre for Armed Forces veterans, education and development in rural areas, environment and wildlife protection and other related activities. These CSR activities are designed and implemented with an objective of overall development and empowerment of the society and nature.

Now I wish to express my gratitude to our outgoing board members. First, Mr. Sanjay Buch; Mr. Vinayak Hazare; Dr. Gopakumar Nair who have retired as Independent Directors of the company during this year. On behalf of the shareholders and the board, I wish to place on record the appreciation of for their valuable contribution, support and guidance to the company. I would also like to place on record the appreciation for Mr. Srikant Sharma, our previous Company Secretary and Key Managerial Personnel who retired from the services of the company with effect from 23rd July, 2024. I thank him for his valuable contribution to the company. I also take this opportunity to extend my gratitude and appreciation to our board of directors, customers, bankers, financial institutions, regulatory authorities and other stakeholders for their valuable support. I would also like to express deep appreciation to the employees of the company at all levels. I thank all our shareholders for your faith in Fermenta and seek your continued interest and support as always. Thank you.

With this, I will move to the other items. Moving on, allow me to brief you about the voting and agenda items for this meeting. As per the provisions of the Companies Act 2013 and the rules made thereunder, the company is required to provide an e-voting facility to its shareholders, which was provided from Friday, August 9, 2024, from 9.00 am Indian Standard Time (IST) to Sunday, August 11, 2024, till 5 pm IST. It was done through Link Intime to exercise votes on the items of business stated in the AGM notice. Members who are participating in this AGM through video conferencing, and who have not voted through remote e voting or ballot forms earlier can vote on these resolutions on the commencement of e-voting during the AGM,

Mr. V.N Deodhar, practising company secretary has been appointed as the scrutinizer to scrutinize the remote e - voting, including the ballot forms received from the members and the e-voting process for this AGM. Now I request our Company Secretary to read out the resolutions proposed in today's AGM.”

Mr. Varadvinayak Khambete:

“Thank you, Chairman Sir. The ordinary business items are as follows.

1. To receive, consider and adopt the audited standalone financial statements of the company for the financial year ended March 31, 2024, reports of the board of directors and the auditor's there on and the audited consolidated financial statements of the company for the financial year ended March 31, 2024, and the report of the auditors thereon.
2. To declare a dividend of 25%, i.e., Rs. 1.25 per equity share of Rs. 5 each for the financial year ended March. 31, 2024.
3. To appoint a director in place of Mr Satish Verma, who retires by rotation and being eligible offers himself for reappointment.

The special business items are as follows.

4. To approve the continuation of Mrs Rajeshwari Datla as a Non-Executive Director on the board of directors of the company after attaining 75 years.
5. To approve the remuneration of cost auditor of the company.
6. Approval for material-related party transactions.

I will now invite the shareholders who have registered themselves as speakers for this AGM to express their views or comments. Speaker shareholders are requested to ask their questions when called for by their names. Shareholders are requested to keep their questions brief in order to provide equal opportunity to other speakers as well. After all speaker shareholders have spoken, the management will reply to the questions raised by the speaker shareholders. Now I request the moderator to allow speaker shareholders to put forth their views or questions. Thank you.”

Moderator:

“Thank you, Sir. I now invite our first speaker for the meeting, Ms Celestine Elizabeth Mascarenhas. Madam, you are in the panel. Kindly enable your video and you may speak now.”

Ms. Celestine Elizabeth Mascarenhas:

“Hello.”

Moderator:

“You are audible. Ma'am.”

Ms. Celestine Elizabeth Mascarenhas:

“Okay. Thank you. Respected Chairman Mr Pradeep M. Chandan; Vice Chairman, Mr. Krishna Datla, MD Prashant Nagre, other members of the board, and my dear fellow shareholders. First my name is Mrs. C. E. Mascarenhas. First, I thank the company secretary Mr. Varadvinayak Khambete and his team, for sending me physical annual report and as well as registering me as a speaker and giving me this platform to speak, which was quite easy to operate.

Now I go to the Annual Report, which is full of information, facts and figures, self-explanatory, at the same time, adhering to all the all the requirements of corporate governance. The working is very good. But, somehow, PBT and PAT, both were down, but even then, we were blessed a good dividend of Rs 1.25 and a good market cap. Next, congratulations for all awards and applauds received during the year, all documented in the report. I also appreciate very good CSR work, which is already in lots of pages in the Annual Report.

Now my queries:

1. Are we listed on our ESG, on any dedicated ESG platform, either domestic or international or both, and what is our rating score if we are listed?
2. The second question is we have an R&D centre at Thane. How many scientists' average age and what is the attrition level?
3. Third, how much we spend on cyber security?
4. Fourth, there are 558 plus employees. What is the average age and attrition level?
5. Fifth, we have leadership position in Vitamin D3. What is our market share, domestic and international?
6. Who is our main competitor? We have recently today, you are very happy, the Chairman declared that we have got good inspection report, report from USDA. That is very good.
7. Next is, but not least, the future roadmap for the next five years, capex requirement for organic as well as organic growth by further acquisitions and how much we are aiming to grow, especially in rice fortification, milk fortification and edible oil fortification.
8. Here, I would ask you which vertical will be the main growth driver and margins.

With this, I have supported all the resolutions. I wish my company all the best, and specially, I wish you all a very good health is wealth. Thank you so much. Now the next registered speaker is Mr. Aloysius Mascarenhas. So, let the mic be open.”

Mr. Aloysius Mascarenhas:

“Hello. I'm the next speaker in the queue. Can I proceed, Sir?”

Mr. Pradeep Chandan:

“Yes, yes. Go ahead. Please go ahead.”

Mr. Aloysius Mascarenhas:

“Yeah. Respected Chairman, Sir, very distinguished members of the board and my fellow shareholders, good evening to you all. My name is Aloysius Mascarenhas. At the outset, I thank the management, our Company Secretary and his team for sending me such a beautiful, voluminous, illustrative, self-explanatory, transparent annual report, adhering to all the parameters required for a good corporate governance. Our results are good, as shown by fact and figures in place. Our PBT and PAT has gone up. So, also EPS and a good dividend, even though small, Rs 1.25 per share is quite good. This management is in a very good hands of a dynamic Chairman. He will bring kudos to our company. We wish him good luck. And the future is bright. I see a good, bright future for this company, and here, I would like to know

who our peers and competitors and market share and inside of budget, on our profitability, and especially on the CSR, whether how much we are going to implement by employing people.

Rest, many questions have been asked by my predecessor shareholders. I don't want to add anything further. So, I end my speech wishing you personally, Sir, all the board members, and more importantly, all the employees, all the very best in the days and years to come. With this, Sir, thank you very much for patient hearing. Good health, good luck and goodbye. Thank you.”

Mr. Pradeep Chandan:

“Thank you. Mr. Mascarenhas.”

Moderator:

“Thank you, Ma'am. Thank you, Sir. I now invite our next speaker for the meeting, Mr. Dhyaneshwar Bhagwat. Mr. Bhagwat, you are in the panel. Kindly enable your video and you may speak now.”

Mr. Dhyaneshwar Bhagwat:

“Hello, hello. Can you hear me, Sir?”

Mr. Pradeep Chandan:

“Yes very well we can hear”

Moderator:

“Yes, very well. We can hear audible.”

Mr. Dhyaneshwar Bhagwat:

“Thank you, Sir. First of all, thank you very much for allowing me to speak. I wish for the new board. Welcome to our Fermenta Biotech Limited and congratulations for giving me the details of our presentation of the lot of things have you given the chairman, sir, respected Chairman, Board of Directors, I am D. K. Bhagat from Mumbai. First of all, I am thankful to our dynamic company secretary, Mr. Varadvinayak Khambete for sending me the soft copy of the AGM well in advance, which is full of information. Fact, figures are very easy to follow. And also, I thank you, Sir, for doing excellent work and for your team. Also, Sir, I am again thankful to you because excellent Annual Report copy is drafted, Sir, cover page gives information about your dream, develop and deliver. The next page use information of the corporate snapshot, which are in colourful formats, then journey of a growth expansion in domestic and international and so on. So a lot of things has given in the report. Sir, no more question, because the new Chairman, I mean, the Chairman has given all the details of the financial part. So, no more question of the financial I wish. I mean, I support all the resolutions.

1. Sir, what is the capex? Just now the previous speaker asked the question. So, I will not repeat it.
2. What is the profit-sharing ratio for coming financial years?

Rest, for coming for coming festivals, I wish good luck. Thank you very much for your patient hearing. This is D.K. Bhagwat from Mumbai. Thank you, Sir.”

Mr. Pradeep Chandan:

“Thank you, Mr. Bhagavat.”

Moderator:

“Thank you, sir. I now invite our next speaker for the meeting, Mr. Vinay Bhide. Mr. Bhide, you are in the panel. Kindly enable your video, and you may speak now.”

Mr. Vinay Bhide:

“Can you hear me?”

Moderator:

“Yeah, you are audible, Sir, fine.”

Mr. Vinay Bhide:

“I think the video has also come on. Let me start. Chairman, Mr. Pradeep Chandan; Vice Chairman, Mr. Krishna Datla, other members from the Datla family present among us, Mr. Satish Varma, Mr. Prashant Nagre our MD, other company executives, fellow shareholders, as already announced, I am Vinay Bhide, a long term supporter and shareholder of our company, speaking from Mumbai. At the outset, let me welcome our new Chairman, Mr. Pradeep Chandan, who has joined our board on behalf of the shareholders. So, I am sure, you know, with his experience and expertise, you know, it will add, more value to the board in this year, as well as the times to come. Now with this now, let me quickly get down to the specifics.

Thank you for sharing the performance of Fermenta in the financial year 23-24 in our annual report, as well as the details outlined at the outset of this meeting by our honourable Chairman. As outlined by the Chairman in his overview and also in parts of the annual report, we have faced challenging times. However, it is comforting to note from the annual report that despite the VUCA world, that is volatility, uncertainty, complexity and ambiguity, we remain in a state of full preparedness to face the present as well as the future. And you know, no better way than in the cover page of an annual report, we have, put the right view there: dream, develop, and deliver. It's an absolutely apt way, you know, to depict, you know, the present as well as the future of our company.

So, having said this, I have listed a few questions I will present before you. And these questions are, you know, basically to understand the present and the future better. But before that, you know, let me mention that despite, you know, the troubling times, the board has found it fit, you know, to maintain the dividend at 25% and you know, from what you know, Chairman, Sir, has, you know, explained in the outset of the meeting. This year, also, you know, started on a difficult note, but no problem, I suppose you know, we are geared for that.

Now, quickly the questions:

1. At present, Vitamin D3, product range, contributes about 64% of our product sales. So, question here is that which among the others, that is, pharma and botanical products, environmental solutions, present better revenue opportunities for us as compared to the present. So that is question number one.

2. Question number two, our vitamin D3 serves both the animal and the human nutritional areas. The question is what are the market sizes of these in India and the rest of the world.
3. Third question, can you give the market potential that exists for Vitamin K1, and FRK, that is, fortified rice kernel, as mentioned by Mr. Nagre in the annual report?
4. The fourth question, we are a world leader in Vitamin D3 with backward integration for cholesterol. That is the waste material. The question is in the world market, who are the others who are backwardly integrated in and producing Vitamin D3 from cholesterol?
5. And the final question, our revenue streams include rent from investment properties and sale of investment properties, as mentioned on page 269.
6. Now, what I basically want to understand is that I believe that rent from investment properties could be more or less stable. But could you tell what portion of properties that we wanted to sell are already done with and what could accrue this year as well as in the years to come?

And before I close, I should not forget that yeoman's contribution that has been made by our retiring company secretary Mr Srikant Sharma. We have had his full support as well as investor services. We wish him a happy retired life, as mentioned by our chairman. The secretarial team that we have is to face the future. We are looking forward to not only the challenges but the exciting times ahead. Let me close with best wishes for all our team Fermenta and look for best to come in the times ahead. Thank you so much. Jai Hind.”

Mr. Pradeep Chandan:

“Thank you, Mr Bhide.”

Moderator:

“Thank you, Sir. I now invite our next speaker to the meeting, Mr Aspi Bhesania. Mr Aspi, you are in the panel. Kindly enable your video and you may speak now.”

Mr. Aspi Bhesania:

“Sir, can you hear me?”

Moderator:

“Sir, you are audible.”

Mr. Pradeep Chandan:

“Yes, very well. Very well, Mr Aspi.”

Mr. Aspi Bhesania:

“Chairman Sir, I am asking from Bombay. Sir, why no physical AGM? Let us have a physical AGM. And today is the 72nd AGM. So, how do you propose to celebrate the 75th year after 3 years' time. Sir, I

welcome our new Chairman Mr. Pradeep Chandan. I am 110% sure he will take the company to new heights.

Since the company was not showing good results, I have sold a lot of shares. If I had known that he was taking over as chairman, I would not have sold so many shares. I also welcome our new CS, Mr. Vardvinayak Khambete. He is also a capable person. Sir, our outgoing company secretary, Mr Shrikant Sharma, should be appointed as a director or at least an advisor when his cooling period is over. He has a wealth of information, and he is also a capable person, although he is retired, wish him a happy and relaxed retired life.

Sir, on page 14, the EBITDA margin has been reducing for the last four years. Only this year it has slightly improved but still lower than the previous three years.

1. When can I expect EBITDA margin to be higher than FY20?
2. Our MD has commented that you are poised to benefit from the eventual upturn in the Vitamin D3 market. When do you expect the eventual upturn to happen?
3. Vitamin D3 and K1 constitute how much percentage of our revenue?
4. Sir, how many patents do we have and out of those how many are legally enforceable?
5. There is a WhatsApp message saying that patent trademark orders passed in the last two years are not legally enforceable since they were made by outsourced employees.

Sir, Krishna looks like a hero now with long hair. I hope he should do acting rather than running a company. Thank you very much and all the best for the future.”

Mr. Pradeep Chandan:

“Thank you, Aspi for all your good wishes.”

Moderator:

“Thank you, Sir. I now invite our next speaker for the meeting, Mr. Jaydeep Bakshi. Mr. Bakshi, you are on the panel. Kindly enable your video and you may speak now.”

Mr. Jaydeep Bakshi

“Yes, very good afternoon, Chairman and Board of Directors. Myself Jaydeep Bakshi connecting from the city of Kolkata. Thanks to our newly appointed company secretary for giving me an opportunity and express my views. The annual report has been well formatted. I take this opportunity also to share that the outgoing secretary, Mr. Srikant Sharma was energetic and helping out to shareholders. We can utilize his vast experience in our organizations and it's a good investor service by the secretarial department. Sir, your initial speech has been well-descriptive. You shared your thoughts about our company. Sir, our total revenue income has come down, but our losses for the year have also been reduced on a year-on-year basis from Rs 5,700 lakhs to Rs 1,874 lakhs. Sir, uncertainties and economic challenges has impacted our revenue and profits. Kindly share some thoughts regarding this.

In this challenging period, a dividend of 25 percent. Sir, share thoughts as how we plan to overcome all the situations of these uncertainties. Sir plans to ease out our subdued demand and price constraints for vitamins.

1. Sir, any capacity expansion and capability enhancement plan and cost reduction policy.
2. New value-added products to gain more market foothold.
3. Sir, the environment solution business for wastewater and treatment plants performing and providing treated water for reuse has been a good initiative taken by the company.
4. Sir, new strategies to mitigate risk, enhance supply chain and overcome our borrowings. What are our thought processes?

Nothing to add more. I supported all the resolutions and Sir, continue with this DC so that we can get connected and during this, so many meetings are taking place at a time. Sir, nothing to add more and continue our science-based approach and continue contributing to sustainable nutrition for consumer health and welfare. Thank you, Sir, for giving me an opportunity.”

Mr. Pradeep Chandan:

“Thank you, Mr. Bakshi.”

Moderator:

“Thank you, Sir. And now I invite our next speaker for the meeting, Mrs. Lekha Shah. Lekha ma'am, you are in the panel. Kindly enable your video and you may speak now.”

Mrs. Lekha Shah:

“Hello.”

Mr. Pradeep Chandan:

“Yes, yes, ma'am.”

Mrs. Lekha Shah:

“Thank you, Sir. Respected Chairman Sir, board of directors and my fellow members, good afternoon and regards to everyone. Myself, Lekha Shah from Mumbai. First of all, I would like to thank our company secretary, Mr. Khambete Ji and his team for giving me this opportunity and for smooth process where I am able to talk in front of you all in the AGM. I found the AGM notice and I am delighted to say AGM notice is so beautiful, full of colours, and facts and figures in place. Also, it's really useful with a lot of information. *Chairman Sir, mein aapko, apna Fermenta Biotech mein swagat karti hoon, Sir. Sir aap aa gya, ujala aa gya Sir.* Chairman Sir, first of all, congratulations on your excellent work. Sir, I pray to God that 2024 comes with great prosperity for our company. Best wishes to our Company Secretary, Srikanth Sharmaji on his retirement life. I request the board of directors to please consider appointing him as an advisor after his retirement as company CS to get advantage of this knowledge.

Chairman, Sir, again, I thank our company secretaries, Mr. Khambete Ji and Srikanth Sharmaji for the best performance and outstanding support for all my doubts. Hence, I have no questions today. Chairman Sir, I hope the company will continue video conference meetings in future. So, I strongly and wholeheartedly support all the resolutions for today's meeting. Thank you so much, Sir."

Mr. Pradeep Chandan:

"Thank you, madam."

Moderator:

"Thank you, ma'am. I now invite our next speaker for the meeting, Mr. Satish Shah. Mr. Satish, you are on the panel. Kindly enable your video."

Mr. Satish Shah:

"Hello, meri aawaz aa rhi hai, Sir?"

Mr. Pradeep Chandan:

"Sun rha hai sab."

Mr. Satish Shah:

"Ok. Thank you. *Shriman Chairman Sahab aur anya directors, mera naam Satish Shah hai. Apne apni Chairman's speech mein company ke baare mein bahut hi acchi tarah see bata diya.*

1. *Sir, company ka performance bhi accha rha aur hamein dividend bhi accha mila. So, iske regarding dividend policy kya hai,*
2. *Sir? Aur jo bhi resolutionns rakha hai, usmein mera fully support hai. Ek baat mein poochna chahta hoon, Sir jo abhi recently budget hua, but budget ka kya impact hai company mein.*

This was the query. Thank you very much. Thank you."

Mr. Pradeep Chandan:

"Thank you. Thank you, Mr. Shah."

Moderator:

"Thank you, Sir. Our next speaker, Mr. S.C. Gupta is currently not present in the panel. So, we may move to the next speaker. I invite our next speaker for the meeting, Mr. Yusuf Rangwala. Mr. Yusuf, you are on

the panel. Kindly enable your video and you may speak now.”

Mr. Yusuf Rangwala:

“Chairman, can you hear my voice? *Aapko aawaz aa rha hai?*”

Mr. Pradeep Chandan:

“Aa rha hai, sahab.”

Mr. Yusuf Rangwala:

“Sir, very good afternoon, Sir. First, I welcome our Pradeep Chandan Sir, to the board. I'm a very happy and very proud, shareholder of this company in the guidance of our Pradeep, sir. He's a very excellent knowledgeable person. I welcome Sir, as the Chairman. Yes, Sir. This is the 72 Annual General Meeting.

I'm very thankful to our company, excellent company secretary, for sending me a report that is very excellent, very knowledgeable, that is around 300 pages. Excellent reports. As you mentioned, we have received a Pharma award in 2023. I'm very happy to hear this news, hear this news. Chairman, see Chairman, sir.

This 2023, we received a dividend, as you mentioned, Rs 1.25 paisa. Very excellent, very knowledgeable. Due to good profit, you declared a good dividend on every Rs 5 share. Sir, nothing more to add. I end my speech. That Link Intime people who are agents are giving a good service here. We are very happy that the Link Intime people, especially Prasanth, Pramila Madam, and all the staff of the Link Intime people are giving us good services. Sir, we have two factories, one is in Manali, and one is at, two factories we are having. If you arrange a Manali factory visit so that we can come to know how the production is going on.

Nothing more to add. I wish our board, wishing you a very happy, Independence Day, and nothing more to add, Sir. *Phoolon ki khushboo, kaliyon ki bahar, aur apna sath rahe*, Sir. Thank you very much, Sir. And this is a very excellent company, Sir. I welcome you as a Chairman of this board, Sir. Thank you very much, Sir. Jai Hind, Sir. No more questions. Good luck.”

Mr. Pradeep Chandan:

“Thank you, Sir. Thank you.”

Moderator:

“Thank you, Sir. Our next speaker, Mr. Pramod Kumar Agnihotri is currently not present in the panel. So, we may move to the next speaker. I now invite our next speaker Mr. Narendra Arora. Mr. Arora, you are on the panel. Kindly enable your video and you may speak now.”

Mr. Narendra Arora:

“Can you please hear me?”

Moderator:

“You are audible, Sir.”

Mr. Pradeep Chandan:

“Yes, Sir. Very well.”

Mr. Narendra Arora:

“Good afternoon, everybody. I have 2-3 questions.

1. The first question is, sir, what are the price trends of vitamin D3, feed grade and human grade?
2. Secondly, Sir, last year, the production volume of vitamin D3 feed grade was very low. So how much can it be increased in the coming years? As I hear the prices of feed grade have improved significantly.
3. Thirdly, Sir, congratulations on getting the US FDA clearance for your Dahej facility. Please tell me what the potential benefit is of clearing this US FDA inspection. Potential benefits to the company.

Thank you so much.”

Mr. Pradeep Chandan:

“Thank you, Mr. Arora.”

Moderator

“Thank you, Sir. I now invite our next speaker for the meeting, Mr. Santosh Saraf. Mr. Santosh, you are on the panel. Kindly enable your video and you may speak now.”

Mr. Santhosh Saraf:

“*Manniya sabhapati ji, upsthit nirdeshgan aur sadasyagan, aur adhikarigan, hello...*”

Mr. Pradeep Chandan:

“*Haan, boliye sahab.*”

Mr. Santhosh Saraf:

“Sir, mein Santosh Kumar Saraf , Kolkata se bol rha hoon. Sarvapratham aap sabhi ko namaskar karta hoon. Asha karta hoon aap sabhi swasth aur acche se honge. Sir, aapne apne vaktavya mein kaafi kuch bataya Sir. Mere paas prashn kuch nahi hain.

- 1. Sirf, bas ye hai apna jo main product aapne likha, 74% aapka product hai Vitamin D formula environment sambandhi, baaki 26% kya hai, iske baare mein bataiyega Sir.*

Aur Sir, aapke page number 146 mein likha hai, unpaid dividend hai woh unpaid ko unclaimed dividend kardijiye. Is se galat impression jata hai is se. Unpaid kabhi nahi hota ki company de chuki hai aur unclaimed hai, Sir, so, us word ko change karne ki jaroorat hai. Jyada samay nahi leta hoon. Ek baar fir aap sabhi ke acche swasthy ki kamna karta hoon, bhagwan se prarthna karta hoon. Aap aur hamare jitne bhi adhikari hain, secretary hamare Srikant ji hain, wo acche swasthy mein rahein aur agle saal fir se meeting mein milein, naya utsaah, nayi umangke sath. Jai Hind. Jai Bharat. Namaskar.

Mr. Pradeep Chandan:

“Thank you, Sir.”

Moderator:

“Thank you, Sir. I now invite our next speaker for the meeting, Mr. Rajendra Seth. Mr. Rajendra, you are in the panel. Kindly enable your video and you may speak now.”

Mr. Rajendra Seth:

“Hello, hello.”

Moderator:

“You are audible, Sir.”

Mr. Rajendra Seth:

“Haan, haan. Chairman Sir, management team aur shareholder bhaiyon, mein Rajendra Seth Thane, Maharashtra se bol rha hoon. Chairman Sir, pehle to mein se dil se hardik, andar se aapka swagat karta hoon aur aapne Chairman's speech mein bahut aapne company ke baare mein bataya, dhanyawad Sir. Aur hamara secreterial department, Shamra Ji aur Khambete Sir, bahut hi acchi service de rhe hain. Details ke sath hamko notice diya. Uska bhi mein dhanyawad deta hoon. Sir, khali ek hi chhota sa question tha, Chandan Sir. Kya ham aage revenue badhane ke liye kya karenge, wo jara bataiye. Aur dividend policy ke baare mein batayein. Baaki, dividend ke liye bhi mein dhanyawad deta hoon. Sab

resultions mein Chandan Ji, mein poora support aur hardik shubheccha deta hoon. Chandan Ji, ek hi chhota sa shlok bol ke mein meri vaani ka virmam karunga, please.

'Ya devi sarvabhuteshu, shantirupen sansthitam;

Namastasyayi, namastasyayi, namastasyayi, namo namah.'

Chairman, aapke leadership mein hamari company din pratidin aaghe badhe, din pratidin ishwar se prarthna hai. Bolne ka mauka, dhanyawad. Fir se bolta hoon, sabhi resultions mein mera poora support aur hardik shubheccha hai. Thank you Sir. Thank you."

Mr. Pradeep Chandan:

"Thank you."

Moderator:

"Thank you, Sir. I now invite our next speaker for the meeting, Mr. Anil Mehta. Mr. Mehta, you are on the panel. Kindly enable your video and you may speak now."

Mr. Anil Mehta:

"Am I audible, Sir?"

Moderator:

"You are audible."

Mr. Anil Mehta:

"Yes Sir. Good afternoon, Sir. Respected Chairman Sir, the board of directors, and the company staff, I am Anil Mehta, speaking from my residence in Mumbai. Sir, I have a couple of questions before the learned and competent Board of Directors.

1. My first question is, what is the employee turnover rate? How does it compare with the industry average?
2. Second and last question, who is the low-cost producer in this industry? What steps has the company taken to achieve the lowest cost possible?

Sir, I have supported all the resolutions as mentioned or written in the digital annual report. I'm also thankful to our company secretary and staff for sending me a physical copy and link in time without them, would not be able to speak. Could not stand in this right now on this platform. I, as a speaker, sign off from this video conferencing board. Thank you for listening, and patiently listening to me. Thank you very much."

Mr. Pradeep Chandan:

“Thank you, Sir.”

Moderator:

“Thank you, Sir. I now invite our next speaker for the meeting, Mr. Keshav Garg. Mr. Keshav, you are on the panel. Kindly enable your video and you may speak now.”

Mr. Keshav Garg:

“Yes. Good afternoon, Sir. Thank you for the opportunity.

1. So, the first question would be, Sir, why have we experienced losses in the current quarter, because as it seemed like in Q4, there was a revival or at least we had bottomed out in our vitamin division, and chemical division, but it seems that the losses are persistent.
2. So, when can we expect a revival in this segment or how long can we expect these losses to continue going forward? Please, if you could explain that.
3. Sir, what is the outlook for FY25 in terms of top line and bottom line?
4. Sir what is the sustainable steady state, EBITDA percent, or EBITDA margin that we can expect going forward?
5. Sir, what were our sales volume and realisation percent of vitamin D3 during each of the past five years?
6. Sir, why are our feed grade D3 volumes declining at a CAGR of 4% since FY15? And do we intend to exit this business?
7. Sir, is our D3 capacity fungible between feed, human and pharma grade?
8. Sir, what is the reason for a dramatic fall in vitamin D3 prices post-COVID?
9. Sir, have any D3 capacity shut down globally recently due to losses?
10. Sir, what is our domestic and global market share in D3?
11. Sir, who are our closest competitors? And are we the lowest-cost producer? And who enjoys the highest realisation out of all the producers?
12. Sir, what are the expected revenues and margins from the pre-mix and the fortified rice kernel segment that we have entered during FY25?
13. Sir, is there any impact of the new government in AP on our FRK supplies and receivables?
14. Sir, except for D3, are there any other products like API, silicon powder, vitamin K1, E-50, enzymes, fish oil, cholesterol, environment solution, etc., which are profitable? And what is the maximum revenue potential in each of these products based on our current installed capacity? Or is the D3 the only profit driver in our company?
15. Sir, why are we unable to scale up our non-D3 business like enzymes, etc?
16. Sir, when will our German and the US subsidiaries break even?
17. Sir, who owns the balance of 48% of the stakes in Fermenta USA LLC?
18. Sir, what is the tentative market value of the real estate holdings as per the circle rate? And what is the schedule for monetising the same?
19. Sir, the 12 acres remaining of the freehold land at Takwe, Pune, and 10,000 square feet of land leased at Worli, Mumbai. Sir, unsold portion of the Thane one property and other properties. Sir, please if you could provide market value and schedule for monetising would be very helpful.

20. Sir, when will we receive the residential flats aggregating to 1.2 lakh square feet from MEXTEC Property Developers and what is the market value for the same?
21. Sir, how come we are paying Rs 17 crore interest on a net debt of 90 crores? And Sir, why have we taken a debt on a Euribor basis? So, if you could just help us understand, is it because of hedging, because otherwise, it seems contradictory to borrow for an Indian subsidiary on a Euribor basis?
22. Sir, what is a further write-off on slow-moving inventory and doubtful receivables advances that can hit our P&L in FY25?
23. Sir, what are our CAPEX plans for the next three years? And what revenue can we generate if we operate our plants at full capacity utilisation?
24. Sir, what would be the replacement cost of our current installed capacity for the pharma and the chemical business?

And Sir, the next two questions would be,

25. Sir, what is the strength and the USP of our company?
26. When will we list our stock on NSE?
27. And Sir, in your judgment as a new management, Sir, at what rate can we grow our business over the next five years?

It would be very helpful if you could answer these questions. Thank you so much and all the best.”

Moderator:

“Thank you, Sir”

Mr. Pradeep Chandan:

“Thank you, Mr. Garg.”

Moderator:

“I now invite our next speaker to the meeting. Mr. Bharat Negandhi. Mr. Bharat, you are on the panel. Kindly enable your video and you may speak now.”

Mr. Bharat Negandhi:

“Hello, respected Chairman, board of directors and fellow shareholders, my name is Bharat Negandhi from Bombay. First of all, I have received the annual report in time. The report is very beautiful, authentic and transparent. I congratulate the company secretaries, Mr. Vinayak and Mr. Santosh Sharma, who sent me the physical copy to my residence address. I ask only 3-4 questions.

1. Sir, number one, the auditor sign is on 31st May, but the meeting will be held on 30th August. Why? Because so many meetings will be held. We should do early next year.
2. Number two, Sir, what is the CAPEX program?

3. And number three, what is the company... When the company declare... What is the dividend distribution policy?

And one more request, so when we arrange the factory plant with it, please give me the chance. I support, I fully support passing all the resolutions and wish a bright and healthy future of the company. Thank you very much. Hello, one minute, Sir.

One minute sir. Mr. Vimal Agarwal is there, his phone is not working. Can they speak to you? If you allow me?"

Mr. Pradeep Chandan:

"Yeah, yeah, go ahead, please. Go ahead."

Mr. Vimal Agarwal:

"Hello, can you hear me?"

Mr. Pradeep Chandan:

"Yes, yes, Mr. Agarwal, we can hear you."

Mr. Vimal Agarwal:

"Good evening, good night and good morning to all the shareholders who have joined from out of India, out of any part of the world. Sir, Chairman sir will bring wonders to us company, I know. I know him from those days. He's really... I just congratulated him; I got nothing to say and I also thank the company secretary and his team and all the questions were asked by the other speaker. I don't want to waste any time. That's all from me. Thank you very much."

Mr. Pradeep Chandan:

"Thank you, Mr. Agarwal."

Moderator:

"Thank you, Sir. I now invite our next speaker. Ms. Lata Negandhi.

Currently, she is not present in the panel. So, we may move to the next speaker. Ms. Prakashini Shenoy. Prakashini ma'am, you are in the panel. Kindly enable your video and you may speak now."

Mrs. Prakashini Shenoy:

"Am I audible? Yes, ma'am."

Mr. Pradeep Chandan:

“Yes, ma'am.”

Mrs. Prakashini Shenoy:

“I'm Prakashini Ganesh Shenoy from Mangalore. Chairman Sir, Mr. Pradeep Chandan Sir, welcome you to our Fermenta Biotech Limited. He's hardworking and knowledgeable and he's capable of doing and taking the company to the highest peak. Congratulations, Sir, and welcome to our company.”

Mr. Pradeep Chandan:

“Thank you.”

Mrs. Prakashini Shenoy:

“Respected Honourable Chairman, Shri Mr. Pradeep Chandan Sir, other dignitaries on the board and my fellow shareholders, good afternoon to all of you. I received the annual report well in time, which is colourful, transparent, knowledgeable, informative and contains all the information as per the corporate governance. I thank the company secretary, Mr Varad Vinayak Khambete and his team for the same. Sir, I welcome Mr Varad Vinayak also since it is his first AGM. Sir, wish you all the best and good luck for your further assignment. I also thank Mr. Sharma, who was the ex-company secretary, a knowledgeable person, a gem of a person and a very helping nature, and I shall never forget him. Sir, happy retired life and I request the Chairman to please keep him as a member in the board.

The chairman has given a beautiful picture regarding the company and it's working in all parameters. Thank you, Chairman, Sir. I'm glad to note that the company has done outstanding work in the field of CSR during the year.

At the outset, I'm thankful to the board for recommending dividends for the financial year 23-24. I congratulate one and all for getting various awards during the year.

Sir, I have just a few questions.

1. My first question is, what is the future plan of our company?
2. And my next question is, how do we adopt digital technology to increase productivity? Kindly highlight the future roadmap for growth due to the global situation.
3. What is the expenditure incurred for developing products in our R&D?

Chairman Sir, last but not the least, my personal request to you is to please continue with VC so that people all over will have an opportunity to express their views. Sir, say, for instance, I'm from Bombay, I've just come to Mangalore. Because it is VC, I can express my view to you. I wish the company good luck for a bright future and pray to God that the profit of the company shall reach its peak in due course. Sir, I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Chairman, Sir.”

Mr. Pradeep Chandan:

“Thank you, madam, for all your good wishes.”

Moderator:

“Thank you, ma'am. I now invite our next speaker for the meeting, Mrs. Vasudha Dakve. Vasudha ma'am, you are in the panel. Kindly enable your video and you may speak now.

Vasudha ma'am, you are in the panel. You may speak now.

Vasudha ma'am, you may speak now.”

Mrs. Vasudha Dakve:

“Hello.”

Moderator:

“You are audible, ma'am.”

Mrs. Vasudha Dakve:

“Can you hear me?”

Mr. Pradeep Chandan:

“Yes, madam, we can hear you.”

Mr. Vasudha Dakve:

“Yeah, thank you, Sir.”

Mrs. Vasudha Dakve:

“Very good evening, respected... Very good evening, respected Chairmen, Sir, board of directors and my fellow shareholders. Myself, Vasudha from Thane. I would like to congratulate our new Chairman. We have full faith that under his leadership, the company will reach the highest position. Most of the questions were asked by previous shareholders. I will not want to repeat it.

1. Only one question I would like to ask: Is there any impact on our business due to the wars going on?

With this, I support all the resolutions. Thank you very much and wish the company all the best for the coming financial years and my best wishes for coming all the festivals, Ganpati, Dussehra and Diwali.

Thank you very much, Sir.”

Mr. Pradeep Chandan:

“Thank you, madam. We also wish you greetings for the upcoming festivals.”

Moderator: “

Thank you, ma'am. We have a message from our last speaker, Ms. Ashalata Maheshwari.”

Mrs. Archana Mandelia:

“Sabhi Directors, mein Ashalata Maheshwari ji ki daughter Archana Mandelia bol rhi hoon Mumbai se. Ashalata ji ki tabiyat theek nahi hai isliye unhone mujhe ye message aap take pahunchane ke loye kahan hai. Isliye mein unka sandesh aap sabhi ko de rhi hoon. Aap sabhi ko sadar Namaskar. Sabse pehle annual report ke liye aapko badhayi dena chahungi. Bahut acchi annual report banayi hai. Pichle saal ki tulna me is saal company ne khud ko bahut ache tareeke see sawara hai. Hamein pata hai ki Fermenta ki jadein bahut majboot hai aur company fir see purane marg par agrasar hone ke liye taiyaar hai. Is business mein utaar chadhaw to aate hi rehte hain par itihaas dekhein to aage bahut accha chadhaav abhi baaki hai. Is baat ka mujhe poora yakin hai. Is saal FRK project, pre-mix project shuru hua, ye bahut aachi baat hai. Vitamin D ke sath company ne Vitamin K1 bhi market mein utara. In products ko acchi safalta milegi, is baat ka mujhe poora vishwas hai. Is baarein mein sabhi shareholders bhi mujhse sehmat honge. Annual report mein aapne aage ki guidance acchi di hai. Isiliye hamein chinta nahi hai. Shri Krishna Datla Ji aur management pe mujhe poora vishwas hai. Mein yahan kahungi:

Udein jo aap panchi ban kar, naa aapko koi rok paaye;

Chho lein jo aap gagan ko, har banda yahan aapke gun gaaye.

Har saal ki tarah iss baar bhi aapne ache divedend dekar sabhi shareholders ko bhot khush kiya hai. Bhagwan se yehi prarthana karti hun ki aata saal aapke liye shubh ho aur company bohot tarakki karein. Bhagwan aapko aur aapki team ko lambi va sukkhi aayu dein. Dhanyawaad.”

Mr. Pradeep Chandan:

“Thank you. I thank all the speaker shareholders for their valuable feedback and queries, also for your blessings. We will now proceed to respond to the questions raised. So now I request our management team to answer the questions.

So, I think, yeah, first of all, Mr. Keshav Garg had a few questions which you have sent in advance. So, as you know, please provide an overview of your business to your layman shareholders. The answer will

be that Fermenta Biotech was incorporated in 1951 by Dr. DVK Raju. It is engaged in the development and manufacturing of pharmaceutical, biotechnology and environmental solutions used across various industries. So, with a rich history of seven decades, Fermenta has evolved as a key global player in the manufacturing of vitamin D3 in all its formats and as a non-China dependent supply chain. So, it also manufactured a range of Vitamin D3 variants having an optimal mix between human and animal feed products, which have applications across multiple sectors like pharmaceuticals, dietary and nutritional supplements, food and beverage fortification, animal feed, veterinary and rodenticides.

The company is also involved in manufacturing of APIs for muscle relaxant and anti- flatulent applications. So Fermenta delivers innovative enzymes used in the manufacturing of active pharmaceutical ingredients and is involved in environmental solutions used for wastewater treatment and management. So of course, this is also included in our investors' presentation.

The next question you asked is, what is the outlook for the financial year 2025 in terms of top line and bottom line? Management has always refrained from giving any forward-looking projections. This is a listed company. We are not supposed to make any forward-looking statements. Hence, we regret our inability to give any outlook on the top line and bottom line at this stage. What is the sustainable steady state of EBITDA per tonne & EBITDA margin that we should expect going forward? We have seen over the years that the EBITDA margin can fluctuate sharply on either side based on the animal feed 500 prices. Moreover, we have been adding more products in our portfolio which would have its own gestation period. Considering this, it will be difficult to predict any EBITDA margin in the near future. However, our endeavour is to have a margin of around 17-20 percent over a long-term horizon.

The fourth question is what were the sales volume and realization per ton of Vitamin D3 during each of the past five years? So, each of our earnings presentations, we have shared growth or degrowth in vitamin D3 volumes and prices. So additionally, our investor presentation also captured the CAGR over the years in vitamin D3 volumes and revenue. Keeping in mind the sensitivity of sharing individual volumes and realization on a competition front, we will not be in, it will not be in the interest of the company to share this information.

Why is our feed grade D3 value declining at a CAGR of 4 percent since the financial year 2015? Do we intend to exit this segment? The answer is vitamin D3 feed grade is a commodity product and its prices have sharp fluctuations. Over the last few years, the vitamin D3 feed grade prices have been very low and to minimize the financial exposure, the company has consciously restricted the volumes. Your company is well placed to capture higher volumes subject to favourable prices.

The feed grade segment is an integral part of our Vitamin D3 supply chain, and we don't intend to exit from this segment. And that next question is, is our D3 capacity fungible between feed and human or pharma grades? It is, yes, it is fungible. What is the reason for the dramatic fall in vitamin D3 prices post-COVID? We have not seen any dramatic fall in Vitamin D3 prices for human nutrition. However, since Vitamin D3 for animal feed is a commodity product, its prices see significant fluctuations.

Have any D3 capacities shut down recently due to losses? No, not to our knowledge.

What is your domestic and global market share in D3 & who are our closest competitors? Are we the lowest-cost producer? Who enjoys the highest realization? There are no official reports available to state the market share. However, we believe that pre-COVID, we enjoyed around 25% world market share by volume in vitamin D3 in human nutrition, while around 5% world market share by volume in

vitamin D3 in animal nutrition. We believe that our costs and prices are competitive. However, Chinese companies are our major competitors.

What are the expected revenue and margin from premix and fortified rice kernel during the financial year 2025? Premix and FRK both are new products and in a nascent stage. As your company makes inroads in this segment, we provide the revenue information in the periodic investor presentations.

Any impact of the new government in Andhra Pradesh on our FRK supplies and receivables? We do not anticipate any impact.

Next is, except for D3, are our other products like APIs and enzymes, fish oil, cholesterol, environmental solution, etc., profitable? What is the maximum revenue potential in each of these products based on our current install capacity? Yes, all the products mentioned have positive gross margins.

Why are you unable to scale up our non-D3 business-like enzymes? Our core products in enzymes have been Penicillin-G, which is mainly used in the manufacturing of antibiotics. However, most of the manufacturing of antibiotics has shifted to China and hence volume growth is challenging. Your company is looking at new enzymes which can be used in other industries and will keep our members posted on development on this front.

When will our German and US subsidiaries break even? Both these subsidiaries' profitability are largely linked to vitamin D3 animal feed prices and volumes. We expect them to be profitable over the next few years.

The next question is, who owns the balance 48% stake in Fermenta USA LLC? Reyn Capital is the founder of AGD Nutrition now Fermenta USA LLC owns the balance of 48%.

What is the tentative market value of our real estate holdings as per the circle rate? What is the schedule for monetizing the same? 12 acres remaining free-hold land at Takwe, Pune. 10,000 square feet leased area at Worli, Mumbai. The unsold portion of Thane One property and other properties? The circle rates are available in the public domain. As you are aware, we have monetized a significant portion of our real estate portfolio, and your company will provide information on any updates.

When will you issue residential flats aggregating to 1,20,000 square feet from MexTech Property Developers LLP? What is the market value of the same? As per the supplementary agreement signed with MexTech, the developer needs to give possession with OC, Occupation Certificate for 1,20,000 square feet residential flat to your company by 2029. Hence, you would appreciate that it will be difficult to predict the market value at this stage.

How come we are paying Rs 17 crore interest on a net debt of Rs 90 crore? The company has reduced its debts. This is good news for all of you. We have, you know, by around Rs 85 crores in the last financial year. So, we reduced the debt. Also, the debt which is shown as on 31st March 2024, while the repayment happened over this one year. So actually, the debts have been reduced.

What is the further write-off on slow-moving inventory and doubtful receivables or advances that we need to make during the financial year 2025? We don't expect further provisioning of slow-moving inventory and doubtful receivables.

What is our CAPEX plan for the next three years? What revenue can we generate if we operate our plants in full utilization? Your company does not intend to have any major project-related CAPEX program at plants in 2025, except for routine CAPEX and construction of car parking at our Thane One

premises. This is for the existing IT/ITES building. The CAPEX plan for future years would be decided close to the end of the financial year based on the business requirements and the plants. Full capacity utilization and the revenue thereof, specifically relating to D3 will depend on feed prices.

What is the replacement cost of our current one? So that's already explained. So, what are the key strengths and USP of your company? We are one of the top manufacturers, the three manufacturers of vitamin D3 globally. The only manufacturer of vitamin D3 in India. Both manufacturing facilities are certified by global regulatory bodies. Around 350 customers spread across five continents and 60 countries. Backwards integrated plants, forward integrating and diversifying to offer more nutraceutical products.

When will you list our stock on NSE? Your company will look into the matter and get back to you at an appropriate time.

Remaining questions, I request our MD, Mr. Prashant to answer.”

Mr. Prashant Nagre:

“The next question is- What is the current price of vitamin D3 feed grade in the international market? The recent report from Feed Information indicates that prices are around the low of Euros 18 and high of Euros 21. As you are aware, quarterly earnings as well as the investor presentation contain vitamin D3 feed grade 500 minimum and maximum prices.

The next question is. What is the maximum capacity of vitamin D3 feed grade of our company? The capacity of vitamin D3 up to a particular stage is fungible between human and animal nutrition. Depending upon the market dynamics, maintaining our focus on human nutrition, customers' requirements, etc, the material is accordingly allocated. Keeping the competitive sensitivity in mind we do not think it is prudent to disclose the exact capacities publicly.

What are the initiatives taken by the Company to increase market share? With the launch of subsidiaries in the United States and Germany, FBLS broad-based its global distribution reach, especially across America and the Europe. The company has also expanded its offerings by commercializing Vitamin K1, FRK and customized premix as a part of its diversification strategy.

What are the reasons behind reporting a loss even in the post-Covid-19 period? What steps are being taken to increase the profits? The Vitamin D3 industry has experienced excessive build-up in the supply chain, post-COVID 19. This, along with geopolitical issues and an inflationary trends in the USA and Europe contributed to lower sales during the period post-COVID-19.

What were the strategic adjustments and operational improvements to ensure the financial stability of the company? Substantial investments were made to diversify and expand our production and research facilities to commercialize several new products, especially in the nutrition segment. Examples: Vitamin K1, fortified rice kernel and customized premixes. This strategic product portfolio diversification was intended to reduce our reliance on any single product line. Our company's investment is beginning to yield results. Premixes K1, and FRK will go through their customer approval process and will have a gestation period. Results will be visible in the short to medium term.

What is the percentage of the company's R&D expenditure compared to its revenues? Approximately Rs.16 crores i.e. 7% of revenues from other than real estate business is spent towards R&D expenditure.

Are there any areas of company operations where artificial intelligence or digitization can be useful to give better results? The company is constantly looking into it and would adapt to it as and when it feels something is cost beneficial. In addition, the company has an integrated ERP system covering all aspects and implemented across all sites.

What are the plans for the next 5 years? Last 4 to 5 years the focus was to invest in CAPEX. The focus is to strengthen our core Vitamin D3 business by expanding our offerings in different formats. Focus on the products we have launched or launched i.e. K1, plant-based D3 and at the R&D level to focus on improving cost and efficiencies on our API product portfolio and for biotech developing green enzymatic solutions for various chemical industries.

So that then brings to certain other questions which are where my CFO would answer. Sumesh, over to you. Thank you.”

Mr. Sumesh Gandhi:

“Thank you. Thank you, Prashant. Thank you, Chairman Sir. There are a couple of questions which have been missed while I was just going through. So, there are a couple of questions which have still not been answered from the list which we have got as of now for the questions. One question which was there by many people asking from the dividend policy or the words where profit sharing policy and everything. Well, the company will continue to strive towards maintaining a very healthy balance which is there between the shareholders' returns the organization's needs which are there for future growth and also the outstanding debt. So taking all this into consideration the dividend would be you know decided by the share the by the board and approved by the shareholders.

One question which was coming was on the loan which has come from Eurobar. Why was a loan which was taken on a Eurobar? Since we have a lot of exports also around what 70-80 percent of our business is also from exports, so, taking that into consideration it sometimes helps, and it helps a lot of times to have things on a Eurobar. The reason being is that the cost of Eurobar is normally much, much lower than you know when you take it from an Indian Rupee or an Indian currency.

I think so most of the questions have been answered. Yeah, 20 has been answered: What was R&D which is the dividend percentage could have been higher. Again, this is the same thing which I answered just now and regarding CAPEX for next year, our Chairman Sir had already answered that as you know the curve we do not intend to do any major CAPEX.

So other than the routine CAPEX for the construction or routine CAPEX at the plant and the construction of the car parking in Thane 1. So, I think that has already been answered by the chairman Sir.

There was one question which was there on the on the R&D strengths. There was one question which was on the R&D strength.

Mr. Prashant Nagre:

“There were a few other questions which came in today. So I'll take it and go back.”

Mr. Sumesh Gandhi:

“So I will request Prashant Nagre to answer those questions.”

Mr. Prashant Nagre:

“So, there was a question asking for the R&D strength. So, the total strength of R&D is 30.

Then there was a question on how many players in this world in vitamin D3 are backwards integrated. So, we are among the only two players worldwide who are backward integrated on cholesterol.

The 75th AGM celebration is a momentous occasion. I think. Thank you so much. The shareholders are an integral part of it. And one of the things which can definitely be done is that there can be no celebration in a digital format. So, I think a physical meet is what would will be the most appropriate thing. We will discuss this internally. But this is something which is an occasion to celebrate.

How many patents that we have? 31 patents. And are they all legally enforceable? Like you, I think, we have seen this news only today. And we work with distinguished patent attorneys and law firms. And we will completely evaluate the impact that this may have on the entire industry, including us.

There was a question which asked about the USFDA benefits. USFDA we are a pharmaceutical company which in the US that operates within the food dietary supplements as a segment and being audited and coming out to that audit in terms of no major observations is something which is expected out of us to continue to do business in that ecosystem. And obviously, this coming out with flying colors, will help us further consolidate our presence within the food and dietary supplement segment within the USA.

The war and its impact. The world is definitely become a very volatile place. The geopolitical among all other risks is now a real risk. And it is definitely impacting the way that we conduct our business across the world with major impacts on the way that we source our raw materials as well as where we sell and least last but not least the logistics. So, as we continuously evaluate all these risks and steer this, the risk assessment and risk management are done with completely the volatile situation kept in mind.

The CSR budget was one additional question which is for 24-25, Rs 4.36 million is what the total CSR budget. So that I think mostly covers all the questions over to Chairman Sir.

Mr. Pradeep Chandan:

“I think one more question on ESG rating. You know we have not done this rating because this is a topic evolving. In future, we will evaluate this and at an appropriate time, we will go for it. Another question was about the factory visit. Yes, we have three factories, one is Nellore, one in Kulu Manali, and another one in Dahej. All are far away from Mumbai. But at an appropriate time, we will take a call about the factory visit.

So with this, I think we have answered all the questions. So, while we try to respond to most of your questions, in case there are any specific queries which we have missed inadvertently, you may write to our company secretary Mr. Varadvinayak who will revert on the same separately. May I now request the shareholders who have not yet cast their votes on the resolutions to please do so?

The results of the voting on all the resolutions will be declared within two working days after the conclusion of this meeting and it will be intimated to BSE Limited and also posted on companies and our registrar Link Intime's websites. I now declare that the e-voting period be kept open for 15 minutes to facilitate voting by the shareholders who have not yet exercised their votes on the resolutions. I thank all the shareholders, my colleagues on the board and other participants for your attendance and participation at the 72nd AGM today and look forward to your continued support.

I now declare the meeting as concluded. Thank you all.”

E-voting commenced

(15 minutes)

End of E-voting.

End of meeting.