

**TRANSCRIPT OF THE 70TH ANNUAL GENERAL MEETING OF FERMENTA BIOTECH LIMITED
HELD AT 4:00 P.M. (IST) ON FRIDAY, AUGUST 12, 2022, THROUGH VIDEO CONFERENCING /
OTHER AUDIO-VISUAL MEANS**

Participants: Directors and Key Managerial Personnel of the Company, Auditors and 58 shareholders.

1. Mr. Sanjay Buch	-	Independent Director, and Chairman of the Board, Audit Committee and Stakeholders Relationship Committee
2. Ms. Rajeshwari Datla	-	Non-Executive Director
3. Dr. Gopakumar Nair	-	Independent Director
4. Mr. Vinayak Hajare	-	Independent Director, and Chairman of the Nomination & Remuneration Committee
5. Ms. Rajashri Ojha	-	Independent Director
6. Mr. Krishna Datla	-	Executive Vice Chairman
7. Mr. Satish Varma	-	Executive Director (Appointee)
8. Ms. Anupama Datla Desai	-	Executive Director (Appointee)
9. Mr. Prashant Nagre	-	Managing Director
10. Mr. Pramod Kasat	-	Additional Director (Appointee)
11. Mr. Srikant Sharma	-	Company Secretary
12. Mr. Sumesh Gandhi	-	Chief Financial Officer
13. Mr. Rajesh Hiranandani	-	Representative of Deloitte Haskins & Sells LLP, Statutory Auditors
14. Mr. Dhaval Dave	-	Representative - Deloitte Haskins & Sells LLP, Statutory Auditors
15. Mr. V.N. Deodhar	-	Scrutinizer of the meeting
16. Mr. Pradeep Purwar	-	Secretarial Auditor

Moderator:

“We are live now.”

Mr. Srikant Sharma, Company Secretary:

“We are starting the 70th AGM of Fermenta Biotech Limited. Good evening, shareholders the time is now 4.00 p.m. I welcome you all to the 70th Annual General Meeting of the Company. As stated in the AGM Notice and in accordance with the provisions of the Companies Act, 2013, SEBI Listing Regulations and various circulars issued by the Ministry of Corporate Affairs and the SEBI, this meeting is convened electronically through Video Conferencing or Other Audio-Video Means and without the physical presence of the members at a common venue, and in view of the restrictions and the directive issued by the Government.

As the requisite quorum being present, the meeting is called to order.

It is an honour to introduce our distinguished Board members and our key managerial personnel. I will now call names of each Board member and key managerial personnel present here. They are requested to introduce themselves when called, by mentioning the name and location from where they are attending the meeting.”

May I request our Chairman, Mr. Sanjay Buch. He is an Independent Director, and Chairman of the Board, Audit Committee and Stakeholder Relationship Committee. Chairman sir, please introduce yourself.”

Mr. Sanjay Buch:

“Good evening, I am Sanjay Buch, Independent Director, and Chairman of the Board, Audit Committee and Stakeholder Relationship Committee, conducting this 70th AGM this evening from my office in Fountain, Mumbai .”

Mr. Srikant Sharma:

“Thank you, Chairman Sir. May I now request Ms. Rajeshwari Datla. She is a Non-Executive Director of the Company. Madam, if you can introduce yourself.”

Ms. Rajeshwari Datla:

“Hi everyone, I am Rajeshwari Datla. I am attending this 70th AGM of Fermenta Biotech from my home Mumbai.”

Mr. Srikant Sharma:

“May I now request Mr. Vinayak Hajare. He is an Independent Director and Chairman of Nomination & Remuneration Committee. Mr. Hajare, please.”

Mr. Vinayak Hajare:

“Good evening shareholders. I am Vinayak Hajare, Independent Director of Fermenta Biotech, attending this 70th AGM from my office in Mumbai. Thank you.”

Mr. Srikant Sharma:

“Our next Director is Ms. Rajashri Ojha. She is an Independent Director.”

Ms. Rajashri Ojha:

“Hi all. Namaskar. I am Rajashri Ojha. I am an Independent Director of Fermenta Biotech. I am attending this 70th AGM from my home office at Hiranandani Estate, Thane. Thank you.”

Mr. Srikant Sharma:

“Thanks madam. Our next Director Mr. Krishna Datla. He is the Executive Vice - Chairman of the Company.”

Mr. Krishna Datla:

“Good afternoon. I am Krishna Datla, Executive Vice – Chairman, speaking from my home in Mumbai. Thank you.”

Mr. Srikant Sharma:

“Mr. Satish Varma. He is an Executive Director of our Company.”

Mr. Satish Varma:

“Good evening, everyone. My name is Satish Varma, I am an Executive Director in Fermenta Biotech Limited. I am attending this meeting from Fermenta’s Head Office in Thane. Thank you very much.”

Mr. Srikant Sharma:

“Our next Director is Ms. Anupama Datla Desai. She is an Executive Director. Madam, please introduce yourself.”

Mr. Satish Varma:

“We are having some network issues with Ms. Anupama, so you please proceed ahead.”

Mr. Srikant Sharma:

“Fine, she has already joined. I will come back to her again.”

Mr. Srikant Sharma:

“Our next Director is our Managing Director - Mr. Prashant Nagre. Sir, please introduce yourself.”

Mr. Prashant Nagre:

“Good afternoon to everyone. My name is Prashant Nagre. I am the Managing Director of Fermenta, and I am joining this 70th AGM of Fermenta Biotech Limited from our corporate Head Office at Thane. Thank you.”

Mr. Srikant Sharma:

“Our next Director, Mr. Pramod Kasat. He is an Additional Director of the Company, please introduce yourself.”

Mr. Pramod Kasat:

“Good evening, everybody. I am Pramod Kasat here. I am Additional Director of Fermenta Biotech, and I am attending this 70th AGM of Fermenta from my home office in Mumbai. Thank you.”

Mr. Srikant Sharma:

“Ms. Anupama Datla Desai is an Executive Director. May I request you to introduce yourself Madam?”

Ms. Anupama Datla Desai:

“Hi this is Anupama Datla Desai. I am one of the Executive Directors at Fermenta Biotech. I am attending this meeting from my residence in Mumbai.”

Mr. Srikant Sharma:

“Thank you. Now may I request Mr. Sumesh Gandhi. He is the Chief Financial Officer of our Company.”

Mr. Sumesh Gandhi:

“Good evening, everybody. I am Sumesh Gandhi, Chief Financial Officer of Fermenta Biotech Limited. I am attending this meeting from my office in Thane. Thank you.”

Mr. Srikant Sharma:

“Good evening shareholders. My name is Srikant Sharma. I am the Company secretary of Fermenta Biotech Limited, and I am attending this meeting from Bombay. Thank you.”

I welcome all the directors and KMPs for the meeting. I also welcome Mr. Rajesh Hiranandani and Mr. Dhaval Dave, the representatives of Deloitte Haskins & Sells. Mr. V. N. Deodhar, He is the Practising Company Secretary and Scrutinizer for this meeting. Mr. Pradeep Purwar, from Pradeep Purwar and Associate, as our Secretarial Auditor.

“Now I request our honourable chairman, Mr. Sanjay Buch, to address to the members.”

Mr. Sanjay Buch – Chairman:

“Thank you. Am I audible?”

Moderator:

“Yes sir, you are.”

Mr. Sanjay Buch – Chairman:

“Good evening members and Board of Directors. As you are aware, the Annual Report for the year 2022 including the AGM Notice has been mailed electronically to the members whose emails are registered with us and the same has been uploaded on the company’s website, BSE website and the website of our Registrar, respectively.

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, and the relevant documents referred to in the Notice are available electronically for inspection by the members during the AGM at the Company’s website. The link is provided in the InstaMeet portal circulated to the members.

With the permission of members attending this meeting, I consider the AGM notice, Board’s Report and other relevant documents as read

The audit report issued by Deloitte Haskins & Sells, LLP does not contain any qualified opinion. Therefore, in view of standard 13 of Secretarial Standard on General Meetings, I request members to consider the audit report as read.

As informed earlier in view of the directives issued by the Ministry of Corporate Affairs and the SEBI, this Annual General Meeting of the Company is being convened electronically through Video Conferencing or Other Audio-Visual Means in accordance with the provisions of the Companies Act, 2013, SEBI Listing Regulations and various circulars issued by the Ministry of Corporate Affairs and SEBI from time to time. The company has appointed Link Intime to provide facility on voting through remote e-voting, e-voting during the AGM and participation in the AGM through Video Conferencing or Other Audio and Visual Means facility”

Mr. Sanjay Buch – Chairman:

I, on behalf of Fermenta Biotech Limited, welcome you all to the 70th virtual Annual General Meeting of the Company. As per the guidelines issued by the Government of India and other regulatory authorities and in accordance with the provisions of the Companies Act, 2013, the 70th AGM of the Company is being convened electronically through Video Conferencing or Other Audio-Visual Means and without the physical presence of the members at a common venue. The Annual Report 2022 including AGM Notice has been mailed electronically to the members and the same has been uploaded on the Company’s website.

We hope you and your families are healthy and safe, as the pandemic reminds us of its continued presence in different variants which have impacted individuals, communities, and organizations globally. Acknowledging these challenges early, the Company implemented a business continuity plan and continued to operate its manufacturing sites and other locations in accordance with the Government’s advisories, while strictly adhering to the prescribed safety protocols, without any significant disruptions.

Now I will brief you regarding the financials of the Company. In FY22, on a standalone basis, the Company recorded a total income of Rs. 39,549 Lakhs as against Rs. 37,944 Lakhs. The net profits for FY22 were Rs. 3,024 Lakhs as against Rs. 5,197 in the corresponding FY21.

On a consolidated basis, in FY22, the Company, recorded a total income of Rs. 40,665 Lakhs whereas in FY21 the income was Rs. 38,554 Lakhs. Consolidated net profit of Rs. 1,545 Lakhs was recorded in FY22, as compared to Rs. 4,551 Lakhs in FY 21.

During the year under the review, the Company invested Rs. 30 crores towards 20% capacity expansion in Dahej facility for Vitamin D3 in the second quarter of FY22, to enable it to cater to the increased demand for Vitamin D in the human nutrition segment. In line with its ambitions in the nutrition segment, the Company launched Vitamin AD2 premix for use in oil fortification. The Company received grant of multiple patents pertaining to its technology for enzymatic synthesis of Molnupiravir – an orally active COVID-19 drug. This has propelled our integrated biotechnology division from a supplier of enzymes into a strategic partner that provides green chemistry solutions to its clientele. Our Environmental Solutions division has shown great promise by securing and initiating projects with reputed names in the industry.

To give a glimpse of what lies ahead, your Company expects to continue its foray into the nutrition segment by launching three new products this financial year – Vitamin K1, Customized Premixes and Fortified Rice Kernel. All these product lines will be manufactured in-house. Moreover, through a strategic alliance with a leading European manufacturer, Fermenta would also be the distributor of select Vitamin K2 variants in India.

Fermenta's international subsidiaries in Germany and the United States have been operationalized. Fermenta Biotech GmbH, based in Hamburg, has received regulatory approvals to sell its Vitamin D3 feed grade variant, manufactured in Germany. Fermenta USA LLC, based in Texas, USA will endeavour to expand its customer base and offerings in the human nutrition segment, in addition to its existing strengths in the animal nutrition market in the US.

You may recall that the shareholders of the Company approved a special resolution vide postal ballot dated June 09, 2022 to sell, lease or otherwise monetize and dispose part of Company's land by granting development rights, on area-sharing basis. Earlier, an independent, and internationally reputed real estate advisory firm, Knight Frank (India) Private Limited was appointed to provide a fairness opinion and validation of the above grant of development rights. The firm conducted independent valuation and has opined that, based on the market dynamics, characteristics of the subject property, valuation analysis, the estimated value achievable by the Company towards of grant of development rights is fair and reasonable.

The Company entered into a Development agreement on July 26, 2022, whereby the Company granted the development rights to Mextech Property Developers LLP for construction of residential cum commercial buildings in the balance portion of its freehold land in Thane in terms of the said Development agreement. Against the grant of development rights to Mextech, the

Company will receive affordable luxury residential flats on an area sharing basis, aggregating to 1,20,000 square feet RERA carpet area and amenities as well.

The Board is pleased to recommend the final dividend of 25% that is Rs. One Rupee Twenty-five paise per equity share of Rs. 5/- each, for the financial year ended 2021-22 for members approval.

In the first quarter of FY23, the company, on a standalone basis, recorded total income of Rs. 8,835.29 Lakhs and a profits after tax of Rs. 105.40 Lakhs. In the corresponding first quarter of FY22, the total income was Rs. 10,995.51 Lakhs and profits after tax were Rs. 1,278.58 Lakhs respectively. On a consolidated basis, the company recorded total income of Rs. 9,573.38 Lakhs in the first quarter of FY23, and a loss of Rs. (230.92) Lakhs. The consolidated total income for the corresponding first quarter of FY22 was Rs. 11,146.54 Lakhs and profits after tax were Rs. 1,131.24 Lakhs.

In FY 23, the Company filed a composite scheme of amalgamation and arrangement application, amongst DVK Investments Private Limited and Aegean Properties Limited with Fermenta, before the National Company Law Tribunal, Mumbai bench. Pursuant to the application, NCLT has directed the Company to convene meetings of secured creditors, unsecured creditors, and shareholders of the Company on September 02, 2022. The said composite scheme of amalgamation and arrangement will benefit the Company in various aspects, like simplification and consolidation of group structures, rationalization of administrative and regulatory compliances, improved allocation of capital and optimization of cash flows contributing to the overall growth prospect of the combined entity, creation of larger assets base, enhanced focus on business and to create enhanced value for the Company's shareholders.

I am happy to share that Fermenta was recognised with the following accolades in the year under review:

- a. IDMA Margi Patel Choksi Memorial Best Patent Awards : Best Biotech API Patent Award 2019-2021 for National and International API & Biotech Patents.
- b. India Pharma Awards 2021: Excellence in R&D – Development of new product/ technology (Runner up).
- c. Pride of Maharashtra Awards 2021: Best Company of the Year – Excellence in Exports.
- d. Certified by the Great Place to Work Institute as one out of eight companies recognised as India's Best Workplaces in Biotechnology & Pharmaceuticals 2021.
- e. Great Place to Work certified for the third consecutive year (April 2021 – March 2022), along with a recognition for Commitment to being a Great Place to Work.

Mr. Prashant Nagre, Fermenta's Managing Director, was awarded the following recognitions:

- a. One of India's Best Leaders in Times of Crisis 2021 by Great Place to Work Institute.
- b. Inspiring CEOs 2021 by The Economic Times.

The Company firmly believes in 'learn, plan and work with the community'. In the year under review, our Corporate Social Responsibility activities exceeded the mandated budget. Our CSR focus areas included visually impaired and differently abled, supporting heart surgeries, assisting paraplegic ex-defence personnel, promoting animal welfare, rural development and promoting health care and providing COVID care support by donating Vitamin D capsules to Maharashtra Police personnel.

On behalf of all the Board of Directors, I would like to express deep appreciation to the employees of the Company at all levels, members, bankers, financial institutions, regulatory bodies, and other business associates for their support during the year under review. The Board of Directors also expresses its deepest gratitude to COVID warriors all over the world.

I request each one of you to stay safe and take care of your loved ones and others as well.

Thank you very much!

Now moving on to the Business:

In compliance with the provisions of section 108 of the Act and the Rules framed thereunder read with Regulation 44 of Listing Regulations, the Company has provided the facility of remote e-voting (including the Ballot Forms), through Link Intime India Private Limited to exercise votes on the items of business stated in the AGM Notice, and the members are entitled to participate in the remote e-voting process or voting at the AGM electronically.

The remote e-voting period commenced on August 9, 2022 (9.00 a.m. IST) and ended on August 11, 2022 (5.00 p.m. IST).

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 e-voting process for this AGM.

Members who are participating in this AGM through VC/OAVM and have not voted through remote e-voting or Ballot form earlier, can now vote on the following resolutions on the commencement of e-voting.

Members may please note that the below resolutions have been recommended by the Board of Directors for members' requisite approval. Facility to vote through remote e-voting was open for 3 days prior to this AGM and has been closed yesterday in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. In view of remote e-voting and as per standard 7.1 of the Secretarial Standard on General Meetings, proposing and seconding the following resolutions is not required.

The ordinary business is:

1. To receive, consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, Reports of the Board of Directors and the Auditors thereon; and the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and the Report of the Auditors thereon, as an ordinary resolution.
2. To declare dividend of Rs.1.25 per equity share of Rs. 5 each for the financial year ended March 31, 2022, as an ordinary resolution.
3. To appoint a Director in place of Ms. Anupama Datla Desai (DIN-00217027), who retires by rotation and, being eligible, offers herself for re-appointment, as an ordinary resolution.
4. To appoint Statutory Auditors and fix their remuneration, as an ordinary resolution.

The special business is:

5. Appointment of Mr. Pramod Kasat as an Independent Director w.e.f. August 12, 2022, as a Special Resolution.
6. To re-appoint Mr. Satish Varma as an Executive Director of the Company for a period of 3 years w.e.f. September 27, 2022, as a special resolution.
7. To re-appoint Ms. Anupama Datla Desai as an Executive Director of the Company for a period of 3 years w.e.f. September 27, 2022, as a special resolution.
8. Remuneration of Cost Auditor of the Company, as an Ordinary Resolution, and
9. Approval for Material Related Party Transaction, as an Ordinary Resolution.

I would like to invite now the queries from the members present and attending this meeting on the Business Items just read out by me. I request the Company Secretary Mr. Srikant Sharma to moderate the queries from the members.

Mr. Srikant Sharma – Company Secretary:

Thank you, Chairman Sir.

We will now unmute the members who have registered themselves as speakers. Members are requested to ask their queries when called for. Members are requested to keep their queries short to provide equal opportunities to other members. Once all the questions are put, Mr. Satish Varma, Executive Director will answer the same. I request the first speaker to put forth the question.

Moderator:

“Thank you, sir. so, our first speaker of the event is Ms. Ashalata Maheshwari.”

Ms. Maheshwari spoke in Hindi. She congratulated the Company for opening a new plant at Dahej. Apprised the Company for -

- Presenting the balance sheet in a very lucid manner.
- CSR initiatives taken by the Company for the year under review.
- Steps taken towards energy conservation.

- Increase in foreign exchange.

No question was raised from her side.

Mr. Sanjay Buch – Chairman thanked Ms. Maheshwari in Hindi for her blessings and kind words.

Moderator:

“Thank you, sir. so, our next speaker for the event is Ms. Lekha Shah .”

Ms. Lekha Shah:

“Hello, can you hear me sir?”

Mr. Sanjay Buch – Chairman:

“Yes, we can hear you.”

Ms. Lekha Shah:

“Thank you, sir. Respected chairman sir, Board of Directors, and my fellow members, Good evening to all of you. Myself Lekha Shah from Mumbai. First of all, I would like to say that I am very much thankful to our Company Secretary, Sharma ji, for extending very good investors services and also sending me the AGM notice well in time which is full of knowledge, facts and figures in place. Sharma ji always answered all my calls and cleared my all my doubts. Once again, thank you so much Sharmaji.

Thank you so much Chairman sir for explaining us well about the Company. Congratulations for excellent work sir. Sir, I always pray to God that he always showers his blessings upon you.

Thanks that Linkintime, without any problem, allowed me to speak. I would like to thank them for services.

Sir, I want to thank all the person of our Company for receiving awards and recognition by during the year 21 and 22 and I am also very glad the Company is doing very well in the field of CSR activities. Thanks for the dividend, sir.

Sir I would like to ask only one question:

- We being the leading Company in manufacturing of vitamin product, what is our market share in the domestic market, and which are the other Companies manufacturing same product?

So, I would like to say I strongly support all the resolutions for today’s meeting and my best wishes always our Company and its prosperity. Thank you, sir.

Mr. Sanjay Buch – Chairman:

“Thank you, Lekha Shah Ji, for your kind words and your support”.

Moderator:

“Thank you, sir. Our next speaker for the event is Mr. Santosh Kumar Saraf.”

Mr. Santosh Kumar Saraf:

Mr. Santosh Kumar Saraf spoke in Hindi, shared his views about increasing women employees in the company. He further enquired about:

- Reason for impacted performance in FY 22.
- Low dividend rate in comparison with earlier year
- Low exports in comparison with earlier year
- Any plans to diversify the business
- Provisions for Rainwater harvesting and Renewal energy?
- Plastic use ban and alternatives that are considered by the Company for the same
- Covid dose for employees and their families.
- To consider conducting hybrid meetings from next year - VC & physical meetings.

He further asked the Company to resolve Sales Tax disputes pending since 1992 and 2000 as shown in the annual report.

Mr. Sanjay Buch – Chairman: Thanked Mr. Santosh Kumar Saraf in Hindi for his kind words and suggestions.

Moderator:

“Thank you, sir. so, our next speaker for the event is Mr. Dinesh Kotecha.”

Mr. Dinesh Kotecha:

“Good afternoon to all of you and all the other Directors and executives. Sir, I will not repeat several of the questions asked by earlier speakers.

First of all, let me congratulate you for understanding that yes, we are in a problem. We have to find our way out, so you are trying to amalgamate DVK Investments first and Aegean Properties also.

You are also trying to monetize by having our contract with Mextech Property LLP. What is the amount receivable for that agreement with Mextech? Can you tell me the amount?” Because even in your Chairman’s speech you said that post-construction 1,20,000 RERA carpet you will get. But what is the total construction and what is the amount they will give us? That is my first question.

Second question is - page number 6 and 7 when I see, last year we had something like 72 geographies in the international arena and now we have only 63. That means 9 have been reduced. Now what happened to 9 geographical territories? What deliberation has been taken by the Board for the reduction of these 9 territories internationally?

Secondly when I see page number 12 and 13, I am very happy sir because this what is needed for every balance sheet sir, that you must give quarterly – every quarter what happened. You must give it to us so that we know. Now we see this diagram, the five charts given to us, we know that the 2nd quarter was very weak of all the 4 quarters and even in the 4th quarter you have really tried to paddle it out in the 4th gear again. So you know that gives us the confidence that yes, *chalo aage ka nikal gaya* and the 1st quarter of the current year is also not that good when I saw the results sir, I was just taking a printout when the earlier speaker was speaking so 1st quarter also not good, but we are in a process of making ourselves better fit now with the monetization the cashflow will come and with amalgamation also.

With the Germany, something has happened in Germany you said, that loss of nearly 20 Crores including a loss of 3 Crores in this quarter. Now when do you think the Germany problem will be solved, I mean basically its a wholly owned subsidiary. Now when I am talking about wholly owned subsidiaries, let me touch on page number 68 that all the 6 subsidiaries are still making losses sir. Can you tell me the rational introspection that you have been doing along in the Board, the deliberations which take place of this losses, how do you rationalize?

Our market high was 334, our low was 184 and we are at 192 near the lows only. Now just 5-6 Rs above the lowest. I mean this has an impact on the market price and market CAP. So you have to do it little bit in speed. In one associate, we are having a stake of 47.15 %. Now what are the prospects of that associate I would like to know.

Again, you know you have said that 3 more products have been introduced. Behind everybody sitting there except you and Secretary one banner is there which says that “We are vitamin D Guru” now, I was very happy to read that vitamin D Guru, so we are number 1 leaders in vitamin D in India of course and we are maintaining that particular status. Sir again What are the new variants in Vitamin D? In R&D, what are the new developments that are taking place along with other things?

Sir one more thing, promoters are having 59.58 % of stake. Now, any plans for the promoters – The Datla family Krishna ji is there, Anupama ji, Rajeshwari ji, to increase the stake to 75%? I mean that should be also clarified so that there is no doubt in our minds when and where it will happen? It will happen or not? You say yes or no, and if it will be yes, then by what period you expect it to happen?

Again, you know sir, with top 10 shareholders there are some 33.88%. I am from the top 10 shareholders. I am not a public shareholder sir. I want the list of top 10 shareholders in my category. I don't want institutions, promoters. If you can send it by mail, it will be very helpful for me to understand who is the individual who are investing in your Company in the top 10.

Again sir, there is one point of that 1,41,862 shares are being thrown under the name of IEPF. Now what will happen is that I would like to know the number of people number of shareholders involved in that shares. They should be guided properly. They should be hand held because they are old shareholders who have supported your Company in the initial stages. Signatures will differ after 10 years if you don't sign regularly. Sir, you and me are professionals. We are signing daily 50 pages -

100 pages but those who are not signing every day, after 10 years the signatures will differ of every person; or in 20 years, the handshakes or something happens. You know these registrars are creating a nuisance. For minor, small signature issue they are harassing us. They will say 'bring this, bring that'. The secretary should help them out. See to it that it does not go to IEPF. The dividends and shares should not go to IEPF, they should be given to the rightful shareholder. You find it out, that expense can be debited to the profit and loss account. I will be the 1st person to second that thing because that is the expense for the shareholder sir and the shareholder should get the right if it goes to the IEPF. It is very difficult sir to get shares from there. Even we professionals and Chartered Accountants are finding it difficult sir, then the common public will also find it difficult to get the money from the Government sir. There should be a written down policy. Anything happens, go and find the shareholder and see to it it reaches the person who is involved sir.

And lastly sir I wish you all the best what is happening I will tell you; you say, balancing dynamism with stability. Of course, stability is the first thing and you are trying all means amalgamation, Germany then the land monetization and you know first of all make the Company strong sir. If after 60-70 years our price is only 170,190,192 introspection has to be done sir. You have to restore it. You have to see that the performance will be very strong and that will lead to high prices, better valuation and people will realize it.

Sir don't make con-calls. You are wasting your money sir. You can also come up with rights, premium if you need money sir. The shareholders will give you money sir, no doubt about it. These all are my ideas, sharing with you for the future of the Company, betterment of the Company. Failing is not falling down sir, it is lying down. We will be number 1 again. Wish you all the very best sir.

Mr. Sanjay Buch – Chairman:

“Thank you Mr. Kotecha for your encouraging words.”

Moderator:

“Thank you, sir. So, next speaker for the event is Mr. Vinay Vishnu Bhide.”

Mr. Vinay Vishnu Bhide:

“Hello, are you able to hear me?”

Moderator:

“Yes sir.”

Mr. Vinay Vishnu Bhide:

“Chairman Mr. Sanjay Buch, Executive Director Mr. Krishna Datla, Mr. Prashant Nagre our Managing Director, Executive Director Mr. Satish Varma, other directors present at today's meeting, Company executives and shareholders, Good evening to all.

I must say certain observations have already been made by reading of the Annual Report. So with your permission I will get right into the questions that I have listed out. For my 1st question I will request you to refer to page number 58 of our Annual Report: potential areas to grow and in that we have listed 3 areas one of which has already been explained in the Chairman's speech sir, 1st is 45 Rice Kernal, 2nd is Edible oil, and 3rd is Milk fortification. These are the 3 items. As far as annual report is concerned how is a shareholder like me understand what we are going to do, what is the chart laid out, how are we going to use these products, are we going to make it a technology and then monetise see these facts added with what is given in the present report will help outside industry shareholders to understand. So please make us understand. That is point number 1.

Point number 2 is: I request you to refer to page number 225 of our Annual Report. Segment profit of bulk drugs is about 38 Crores vs about 58 Crores in the previous year that is straight down 20 Crores on the segment, whereas revenues have grown from 88 Crores to 122 Crores. I tried to find out the reasons for this and I again went to the financial overview given in the page 60 and I was not able to understand. Maybe it is given somewhere else in the Annual Report. Please make me understand.

Point number 3 is that in the Director's Report we have mentioned that we are doing a lot of spend in area of IT, very happy about that. IT is an area where you should have devoted allocation as well as devoted attention so, for the purpose of understanding, can you please tell us what was the expenditure in IT in the completed year and what we are going to spend in the current year.

Finally, no shareholder participation can be complete without word of encouragement. Fermenta needs to be complimented for the awards that they have received at a Company level, as well as I congratulate Mr. Prashant Nagre who's kept the flag flying high. Finally, I must state that our Company Secretary Mr. Srikant Sharma has made all efforts that this participation is possible. I have asked a few questions for understanding I am always with the Company. I will close with best wishes to Directors and employees at all levels. Thank you for giving me opportunity to speak."

Mr. Sanjay Buch – Chairman:

"Thank you, Mr. Bhide."

Mr. Sanjay Buch – Chairman:

"Can we have the next speaker?"

Mr. Srikant Sharma:

"Moderator, can we have the next speaker please?"

Mr. Sanjay Buch – Chairman:

"Is anybody likely to join?"

Mr. Srikant Sharma:

“Just a moment.”

Mr. Srikant Sharma:

“Our next speaker is Mr. Aspi Besania, He’s having some technical problem. We are sorting it out. He will be joining soon. Please bear with us.”

Mr. Aspi Besania:

“Sir, can you see me and hear me?”

Mr. Sanjay Buch – Chairman:

“Yes, Aspi very much.”

Mr. Aspi Besania:

It is nice to see all of you after a gap of one year. Sir, I am confused:

- Why raw material cost as a percentage of income has increased so much in Q1 to 47% whereas in Q4 it was 39% and full last year it was 40 %?
- Sir, we have 20 crores loss in German subsidiary. Due to Russian war, Europe is likely to go into recession. Will it be possible to turn around the subsidiary in current year?
- What is our Global market share in Vitamin D?
- Sir, domestic revenue has increased from 28 to 37% of our total revenue. Where is the margin higher domestic or international?
- Sir, vitamin D3 is our 77 % of revenue. After 2 years where do you see this percentage?
- Why no income in the Associate - Health and Wellness India Private Limited?
- I appreciate the reduction of dividend from 2.5 per share to 1.25 per share. Would like you to become first debt free.
- Sir, I agree with one of previous talking about unpaid dividend going to IEPF. You should try that the shareholder gets the dividend, and please ensure Link Intime doesn’t come in the picture because they don’t do anything in this unpaid dividend. The company has to personally get into this. Link Intime just sends reminders and thinks their job is over. Secretary should personally take interest in this, better allocate one person for this, Thank you very much”

Mr. Sanjay Buch – Chairman:

“Thank you Mr. Besania for your kind words we will look into the aspects.”

Mr. Srikant Sharma:

“Now as all the registered speaker have put their queries. May I now request our Executive Director Mr. Satish Varma and other Board members, to reply the queries of the members.”

Mr. Satish Varma – Executive Director:

“Thank you so much Srikant. Am I audible?”

Mr. Srikant Sharma:

“Yes.”

Mr. Satish Varma – Executive Director:

“Thank you so much everybody. I would first like to start with thanking Ms. Ashalata Maheshwari for her blessings and support. I think this will go a long way in encouraging our team to put in more efforts. Thank you very much Ma’am. I will just try to answer the questions one by one. I hope that I will cover everything that is being asked. I think, one of the first questions was about market share in domestic market and other Companies manufacturing vitamin D. To the best of our knowledge there is no other Company in India which manufactures vitamin D in bulk. As far as market share is concerned on the human side, we should be close to most of the market share, I would not say 100 % but as close as possible in the Human nutrition. As far as animal nutrition is concerned, India is not a big market, but we do have a decent market share in that, but a lot of customers buy AD3 that is imported directly. So, from a price benefit point of view, some customers tend to lean towards importing AD3 premix rather than taking directly premix. Otherwise, most of the market share there is also with us.

“Reasons for reduction in profits: As you all are aware our main product vitamin D3 goes into 2 segments, human segment as well as animal segment. Since last 2 years, the animal segment has been under tremendous stress globally, and this is where the reduction in top line. Actually, we have covered up most of the top line by doing most of the other things, like for example – increase in the human part of the sales, we had the fish oil cholesterol contributing, likewise we had the other things. On the animal side, just not the prices but the volumes are also very low for 2 years. So that is where the reduction in margins, overall EBITA and profits is coming from.”

“Export sales are down, yes again this is related to animal feed. Otherwise, there is not too much of an impact on the human side but the animal side is what is giving this total picture. Saraf sir, I appreciate highly your continuance push on us to look at women empowerment. We are doing our best. You would see we are continuously improving the strength of women that are working in our organization.

On the factory side, where it is quality related, admin related, we are getting more women inducted but on the production side it is still a challenge. Having said that, you are right. Women are doing many things now a days. We will continue to work towards bringing more percentage of women in our organization. Thank you very much.

“Disputed cases: I think Mr. Srikant Sharma will answer that a little later when I finish answering the rest of it.”

“Rainwater harvesting: Wherever possible our Company takes appropriate steps.

“Single use plastic: I think we are in the pharma and regulated industry. I doubt if we can reuse things ourselves but otherwise, we avoid use of single use plastic wherever possible.”

“COVID booster doses for all: We have ensured that 2 doses of every employee and their family is taken care of and we continue to push whoever is eligible for the 3rd dose. We continue to push to get that done as well.”

“Hybrid meetings: I think Mr. Srikant Sharma will try his best to see how can we do it in the next time.

Someone has asked about the property development agreement that we have signed with Mextech Properties and what is the total construction that is going to happen. Now unless and until the plans get approved by the municipalities, it will be very difficult to say what the total potential that will be allowed by the authorities to build. Having said that, irrespective of whatever the authorities will allow the developer to build, the developer is obligated to give 1,20,000 sq. feet RERA carpet area to Fermenta. What will be the consideration for it: I think once we go into the market with those 1,20,000 sq. feet as soon as the product launches, normally building starts selling residential flats slab wise or milestone wise from the launch date. So, depending on the market circumstances that will happen. Highly difficult to predict a certain price that will come.

“Reduction in territories: I don’t think that there is any reduction in territory. I was just looking at page number 7 or something like that of the Annual Report. We have listed 70 countries. May be that particular year one country or in a country a company or so might not have taken our materials. Could be that problem. Otherwise, there is no problem for us in any territory. We are eligible and got approvals to trade with all the countries we have listed.”

“Yes, 1st quarter is not good. We continue to face difficulties on the animal nutrition. The war and the recession that is going on elsewhere is not really helping. Unavailability of grains is itself becoming a problem to feed the animal sector, forget about adding micronutrients. So, it is continuing to be challenging. Hopefully things will turnaround soon.”

“Germany losses and other problems: It took us about year and a half because of covid. Although we started the German operations way back in 2020, because of covid, approvals for selling our products in Germany and EU and elsewhere, it took us tremendous amount of time. All the authorities were working from home so that was challenging. So, it took time and the initial 2 years some losses were there. The significant part of losses you see as Mr. Aspi Besania had mentioned, the 20 crores is when the raw material is shipped from Fermenta India to Fermenta Germany, the prices were at a different level. Because we have to make sure that the transfer pricing is fair and reasonable and by the time, we got the approvals, and all the markets were down so rewriting of the inventory has happened. They have brought it down as per the current market prices. Although we sit on the inventory, you see the losses because we are taking the hit on our books based on the current market price.”

“Vitamin D Guru is a website and promotion run by our Company. We are available on social media as well. We do a lot of promotion of vitamin D3, its usage etc through this website “

“New forms of vitamin D: We have no current plans of getting into any end formulations of vitamin D. But we still have some ground to cover as far as pre formulation of products of vitamin D3 are concerned like stabilized powder. We have done it on the animal feed. We are working towards adding more variants in the human side.”

“Promoters to increase their stake: I think as and when the promoters have any thoughts on that I am sure they will let everyone know.”

“Top 10 shareholders in your category: Mr. Kotecha, I think Mr. Srikant Sharma will separately handle this with Mr. Kotecha and make sure he has this information.”

“There is a similar question of Mr. Kotecha and Mr. Besania on IEPF. Mr. Srikant Sharma will do his best and address this. He will make sure the shareholders get what is rightly theirs and not just going into an IEPF account”.

“Point well taken Mr. Kotecha. No need for con-calls. We will stay away.”

“Market price: that is something that the Company will not be able to say much.”

“Rights issue to raise more funds: I think all of you have recognized our efforts in terms of in this atmosphere while we try to continue to strengthen our D3 portfolio. You all noticed we are doing other products as well and also the monetization of assets. If at all the Company feels any rights issue is required at this stage or may be going down the line, we will get back to you on that.”

“Mr. Bhide asked a question on potential initiatives. We do not have any plans of manufacturing those products like for example, rice kernals. Yes, we want to manufacture the rice kernals but the intent we have mentioned in the past also that we are setting up a premix plant which should be ready by this calendar year end in Kullu itself. The premixes will go into these 3 products – for rice kernals it is iron, folic acid and vitamin B12, we will make those premixes and sell it to people who are making fortified rice kernals. We are also setting up may be a 3000 metric tonnes per annum rice kernel itself manufacturing plant in Andhra Pradesh, so it is a very small portion what is required as it is mandated by the Central Government that is important for all teams as well as the mid-day meal schemes etc. So, for making sure that our presence is there we are putting up that facility, but our main interest will be premixes. Similarly, in oil fortification, we are already doing AD2 business in that. Milk fortification – government is trying to push a mandate, so we will be supplying the premixes in that i.e. Vitamin A and D. Currently vitamin D2 is used which we procure and do but going forward as you all are aware that we have been talking about our vegan D3 project. As and when our vegan D3 project comes up and it is approved with the regulatory authorities, we will start doing AD3 fortifications.”

“Margins: Again the reason for margin drop is significant reduction in the animal feed prices. If you are all aware that the margins we made specially in FY 18-19 and some portions of 20, it has

significantly come on high prices of animal feed product. Vitamin D3 in animal feed which is close to the lowest in last 4 years.”

“IT: I don’t have an exact number but I will ask Srikant to contact our finance department and get you an idea of what was the spent last year and what is the budget this year.”

“Mr. Besania has asked us on why RMC has gone up. There have been significant increase in energy and raw material prices and combined with the pricing pressure on the feed grade vitamin D3 it is resulting in this picture.”

“Loss in German subsidiary: We have already spoken about.”.

“Global market share of vitamin D3, to the best of our knowledge on the human side Fermenta should have about close to 25 % market share on the human side vitamin D3, API and close to about 4 to 5 % market share in animal feed vitamin D3. “

“Domestic margin is higher or lower than export. I can’t make a blanket statement there because prices are different for different volumes for different costumers but averages are sought between volume and prices so there is not too much of a significant difference between contribution coming from different places.”

“After 2 years how do we see our picture: As you are aware premixes, vitamin K1, vegan D3 etc are some activities we are doing, I would not say 2 years but over 5 years, our attempt is that the D3 contribution while as a quantum it should keep growing, as a percentage of contribution to the overall revenue because of other things coming in we would like to reduce it may be to 50-60% over the next 4-5 years. That will be our first challenge.”

“H & W, Mr. Besania, it has been completely provided for in our books. The Company has stopped all its operations, so we are just waiting for the Company to fold up and take it out of our books. We are having the shareholding in our hand that is why it is reflecting.”

“Someone has asked about subsidiaries. All 6 subsidiaries are making losses. We have 1 subsidiary – G I Biotech, which is non-functional, and we are looking at shutting down. Hardly any activity, in fact hardly any loss also there. There is an external shareholder who holds about 37% in that company so we are trying to talk to them and get it wrapped up. Aegean Properties is getting merged with the Company in this amalgamation so that will go away. FBL UK, we used to hold some patents and product brand registrations in UK and there is no expense there may be about less than a lakh rupee per annum to keep it alive. Looking at the Brexit etc, we decided not shut down the company until we fully understand whether we need a separate subsidiary in UK. So, as it is not

costing much, we are keeping it alive. Other two companies are FBL USA and Germany which we have spoken about. They have long way to go, they are fresh investments that we have done.”

“Dividend reduction: Yes, you are right. First our goal should be to become debt free. I think as the monetization progresses, now that we have done the development agreement, Takwe land or IT office building that we are looking at monetizing, hopefully things will, in the next quarter or 2 things should firm up and we will start seeing some action over there as well so that will help us significantly reduce our debt”.

“I think I tried to answer most of the questions If anything is left, please look back to Mr. Srikant Sharma. He will be more than happy to oblige. Thank you very much.”

Mr. Srikant Sharma:

“Chairman sir, with your permission, May I ask 2 more speakers? Because of technical difficulty, they could not join, they could not put their queries. With your permission can we allow them to put their queries?”

Mr. Sanjay Buch – Chairman:

“Yes, please go ahead.”

Mr. Srikant Sharma:

“Mr. Jaydip Bakshi, can you put forth your queries?”

Mr. Jaydeep Bakshi:

“Yes, Good evening, sir. Thank you for giving me an opportunity to express my views. Thanks to our Company secretary Mr. Srikant Sharma for maintaining good relations with shareholders and presenting an informative annual report. Sir, nice presentation in the beginning and good performance rise in revenue from last year & passing out a dividend of 25% in this difficult period. Kindly highlight on:

- Enzyme producer Vita Dee, AD2, oil blend.
- risks we see in our current business trends?
- Strategic partner for smooth logistic movement
- Future R &D expenditure plan
- Thought process on waste management & water management
- Any Joint venture programme.

Congrats for the CSR activities mentioned in page 90. Once again congrats for the awards you have mentioned in page 55.

Sir, nothing to add more. Congrats on the investment in manufacturing technology for better productivity mentioned in page 46. I support all the resolutions. With your guidance I hope

Company will come out with better results and wish everyone a Happy Independence Day in the 75th year. Thank you, sir, for providing an opportunity.

Mr. Sanjay Buch – Chairman:

“Thank you, Mr. Bakshi, for your good wishes.”

Mr. Srikant Sharma:

“Chairman sir. There is one more shareholder Ms. Prakashani Shenoy. Again due to the technical glitches she couldn’t attend and put her queries. Now can we allow her to put her queries Chairman sir?”

Mr. Sanjay Buch – Chairman:

“Yes, please go ahead.”

Ms. Prakashani Shenoy:

“Sir can you hear me sir?”

Mr. Srikant Sharma:

“Yes, we can.”

Ms. Prakashani Shenoy:

“Thank you, sir. Respected chairman, other dignitaries on the Board and my fellow members, Good evening to all of you. I received the annual report well in time, which is colourful, transparent, informative and contains all the facts as per corporate governance. I thank Mr. Shrikant Sharma & his team for the same. I thank him once again to provide an opportunity to speak right now. I am thankful to the Board for recommending a dividend for FY 21-22. At the outset, I congratulate the management getting various awards in different categories for the year. I am glad to note Company has done excellent work in the field of CSR. Sir I just have 1 or 2 questions.

- Sir, How are we planning digital future.?
- What is the roadmap for next 3 years?
- Are we going to have a new R& D? If yes, what shall be the expenses?
- Do we come under the purview of GST. What rate is applicable?

I wish the Company good luck for a bright future and pray God that the profit of the Company should reach high in due course. I strongly support all resolutions put forth in today’s meeting. Thank you, sir.

Mr. Sanjay Buch – Chairman:

“Thank you very much, Ms. Shenoy.”

Mr. Srikant Sharma:

“May I now request our Executive Director Mr. Satish Varma if he can address the queries.

Mr. Satish Varma – Executive Director:

“Sure. On enzyme producers: we do manufacture industrial enzymes. These are not for consumption, the enzyme is used to manufacture other products. Our enzymes can work from bio diesels to pharmaceuticals Vitamin AD2 goes into fortification of oil and hopefully going forward, of milk.”

“Logistics partnership: Vitamin D3 is a very concentrated molecule especially the human side. It goes by flight so we don’t have a challenge there. I think Prashant, can you talk about our logistics partner in Europe?”

Mr. Prashant Nagre – Managing Director:

“Sure. So we work with DSV which is one of the largest logistics partners in Germany. They are also available in PAN- Europe and they also go across Atlantic and deliver our goods into US.”

Mr. Satish Varma – Executive Director:

“Thank you, Prashant. Waste management & water management: There is a business service we do as a separate segment. We got nothing to do with chemical manufacturing. Fortunately, in India also people are realizing how important it - what the Government is asking in terms of standards before they dispose things out.”

“Road map for next 3 years: We do regularly give investors presentations which is available on our website. I think that has a clear indication where we are going, what products we are working on, there is clarity over there. So I highly recommend whoever is interested, have a look at that”.

“Expansion of R&D: We just expanded R&D about a couple of years ago and we have a full fledge set up so we don’t see the requirement to expand it further. We will first wait to see the fructification of our efforts and then see where next”.

GST: I think our CFO will be able to answer it better.”

Mr. Sumesh Gandhi:

“The Vitamin D3 feed is an exempt item. There is no GST on that. For other products, there is a 18 % GST”.

Mr. Satish Varma – Executive Director:

“Thank you, Sumesh. Over to you chairman sir and Mr. Srikant Sharma.”

Mr. Sanjay Buch – Chairman:

“I believe all the queries have been responded and clarified and the business of the meeting is now complete, members are requested to press ‘Cast your vote’ tab through Instameet portal and do the e-voting. Members who have not cast their votes through remote e- voting are requested to cast their votes for resolutions through e-voting process in next 30 minutes. Mr. V. N. Deodhar, Practising Company Secretary, the Scrutiniser shall conduct of the voting in a free and fair manner.

The Scrutinizer shall, immediately after the conclusion of voting at this AGM, unblock the votes cast through remote e-voting (including the Ballot Forms) and the e-voting. He shall make a consolidated Scrutinizer’s Report of the votes cast in favour or against, if any, within 2 working days of the conclusion of this AGM.

The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website, and on the Registrar’s website and shall also be communicated to BSE Limited.

I thank all the members, directors, and other participants for attending this meeting. I also thank Company Secretary and other company officials to arrange and conduct this meeting in an efficient manner through video-conferencing. With that I declare this meeting to continue for voting.”

Mr. Srikant Sharma – Company Secretary:

“I thank the Chairman of the meeting and the other Board members present at the meeting. I conclude this meeting. I request all the members to cast their vote as suggested by the Chairman. Thank you”.

Mr. Sanjay Buch – Chairman:

“Thank you so much.”

E-voting commenced

(30 minutes)

End of E-voting.

End of meeting.
