

Transcript of 34th Annual General Meeting (AGM) of Chemcon Speciality Chemicals Limited held on 28th September 2023 at 11:30 a.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

Directors and KMP present (all present through VC):

Mr. Kamalkumar Aggarwal	Chairman and Managing Director
Mr. Navdeep Goyal	Deputy Managing Director
Mr. Rajesh Gandhi	Whole-time Director and Chief Financial Officer
Mr. Himanshu Purohit	Whole-time Director
Mr. Rajveer Aggarwal	Whole-time Director
Mr. Bharat Shah	Independent Director
Mr. Shahilkumar Kapatel	Company Secretary and Compliance Officer

Other Invitees in attendance (all present through VC):

Ms. Chhaya Dave M/s. K C Mehta & Co LLP	Statutory Auditors
Mr. Chirag Rathod M/s. Rathod & Co.	Secretarial Auditor and Scrutinizer
Mr. Chetan Gandhi M/s. Chetan Gandhi & Associates	Cost Auditor

Members present: A total of 55 members attended the meeting through VC.

COMPANY SECRETARY	Good Morning Sir! Requisite quorum is present, we can start the meeting. Thank you.
CHAIRMAN	<p>Shahil your voice is broken, just repeat. Ok Shahil. Thank you Shahil.</p> <p>A very good morning to all of you. I am Kamal Agarwal, Chairman and Managing Director. I have joined the meeting from the corporate office of the Company at Vadodara. I am truly delighted to extend a warm welcome to each and every one of you to the 34th Annual General Meeting of the Company. I want to express my gratitude to all the members, esteemed colleagues on the Board, the Auditors, and the dedicated management team for taking part in this meeting through video conference.</p> <p>Pursuant to various Circulars issued by the Ministry of Corporate Affairs and SEBI, this AGM is being held through Video Conferencing/ Other Audio-Visual Means. The Company has made all feasible efforts under the current circumstances to enable members to participate through video conference and vote on the items being considered in the meeting.</p> <p>With the requisite quorum of shareholders being present through video conference, I call this meeting to order. We also have with us representatives from the Statutory Auditors, Secretarial Auditors and Scrutinizer.</p> <p>Before we start the proceedings of the meeting, I would request my colleagues on the Board to introduce themselves and confirm the place from where they are attending the meeting.</p>

	Sequence for Introduction would be first Mr. Navdeep Goyal, followed by Mr. Rajesh Gandhi, Mr. Himanshu Purohit, Mr. Rajveer Aggarwal and Mr. Bharat Shah, who are present over here. Please introduce yourself Mr. Navdeep.
Mr. Navdeep Goyal	Hello everyone! I am Navdeep Goyal, I am the Deputy Managing Director. I am joining this meeting from the corporate office in Vadodara.
CHAIRMAN	Rajesh? Mr. Rajesh Gandhi?
Mr. Rajesh Gandhi	Good morning everyone! I am Rajesh Gandhi, Whole-time Director and Chief Financial Officer. I have joined this meeting from corporate office, Vadodara.
CHAIRMAN	Thank you, Rajesh.
Mr. Himanshu Purohit	Hello everyone! Good morning! I am Himanshu Purohit, Whole-time Director. I have joined this meeting from the registered office of the Company at Manjusar, Savli.
Mr. Rajveer Aggarwal	Good morning, everyone! I am Rajveer Aggarwal, the Whole-time Director and I am joining this meeting from Dubai.
Mr. Bharat Shah	Good morning, everybody. I am Bharat Shah, Independent Director. I am attending this meeting through video conferencing from USA, New Jersey. Thank you.
CHAIRMAN	Thank you everyone. I now request the Company Secretary, Shahil, to provide general instructions to members regarding their participation.
COMPANY SECRETARY	<p>Thank you, Sir. Good morning to all. I am Shahil Kapatel, Company Secretary and Compliance Officer. I am joining this meeting from the corporate office of the Company at Vadodara.</p> <p>Members may note that this AGM is being held through video conference, in accordance with the circulars issued by the MCA and SEBI. The facility for joining this meeting through video conference has been made available to the members on a first come first serve basis. All members who have joined the meeting are by default placed on mute by the moderator. When the session on question and answer commences, the moderator will unmute the speaker member.</p> <p>The Register of Directors and Key Managerial Personnel and their Shareholding, the Register of Contracts or Arrangements in which the Directors are interested, and other documents mentioned in the notice of AGM are available electronically for the inspection by the members during the meeting. Members seeking to inspect such documents can send their request to investor.relations@cscpl.com. As the AGM is being held through video conferencing, the facility for appointment of proxies was not applicable, and hence the proxy register is not available for inspection.</p> <p>The company has provided facility to cast votes electronically on all resolutions set forth in the Notice. Members who have not cast their votes through remote e-voting and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by the NSDL. Members can click on the "Vote" tab on the video conference screen to cast their vote.</p>

	<p>Members are requested to refer to the instructions provided in the Notice or appearing on the video conference page, for participation through video conference and casting their vote. In case any member faces any difficulty, he/she may contact the helpline numbers given in the Notice of this AGM. Members may note that this meeting is being recorded.</p> <p>Now, I request the Chairman Sir to start the proceedings. Thank you.</p>
<p>CHAIRMAN</p>	<p>Thank you, Sahil.</p> <p>I take the meeting further. We are pleased to close our financial year on a positive note led by the continued business momentum in Inorganic chemicals businesses, which was driven by a significant increase in sales volume during the financial year 22-23. However, an uncertain price movement in bromine has moderated the overall growth.</p> <p>I will briefly touch upon the headline numbers marking the Company's performance during the financial year 22-23. Amidst this demanding landscape, we have showcased a remarkable performance, with our Revenue from Operations grew by 17.8% to Rs. 302.9 crore in the financial year 22-23, a substantial leap from Rs. 257.1 crore achieved in the preceding year. Profit after tax was Rs. 55.1 crore against Rs. 62.8 crore in the previous year. Earnings Per Share in the financial year 22-23 was Rs. 15.04 as compared to Rs. 17.13 over the previous financial year. Our Domestic and Export mix for the year 22-23 came in at 68% and 32%, respectively.</p> <p>During the Financial Year 22-23, out of the total revenue approximately INR 107 crores were derived from Inorganic Chemical Business. On the other hand, approximately INR 179 crores of the total revenue stemmed from the organic chemical business. The Company has achieved a significant milestone by successfully initiating commercial production at the facility P9 at Manjusar factory. This achievement marks a pivotal moment in the company's operational journey, reflecting its commitment to expansion and growth.</p> <p>The Company has launched bromine based organic chemicals and added a capacity of 2,400 MTPA at the P9 facility. We are planning to commence the P10 unit by end of FY24 and P11 by FY25 which will add few other organic and inorganic chemicals. Despite recent disruptions in the country, we have successfully commissioned several capex projects which we will commence to gradually scale-up over the next few years.</p> <p>To propel our future growth, we are primed to direct our attention and investments toward augmenting our production capacities and capabilities and broadening our array of products. Additionally, we have set the sights on fortifying the marketing division through strategic investments, with the goal of extending the reach and prominence of our product offerings.</p> <p>Let me close with the mission statement:</p> <p>At Chemcon, our mission reflects to make advanced intermediates used by API and Agro Industry and Completion Fluids used by Oilfield Industry, worldwide, with the help of innovative manufacturing systems, product development through Research & Re-engineering and using latest technology with most economical system with consistent quality, import substitutions and shortest supply time.</p>

	I now request the Company Secretary to provide a summary of the Auditors' Report. Over to you Mr. Shahil.
COMPANY SECRETARY	<p>Thank you, Sir. The Statutory Auditors, K C Mehta & Co LLP and the Secretarial Auditor, Rathod & Co., have expressed an unqualified opinion in their respective audit reports for the financial year ended March 31, 2023. There were no qualifications, observations or adverse comments on financial statements and matters, which have any material bearing on the functioning of the Company.</p> <p>Copies of the Statutory Auditors' report and Secretarial Audit report are enclosed as part of the Annual Report. Thank you.</p>
CHAIRMAN	<p>Thank you Shahil. We take up the businesses of the Company for this Annual General Body Meeting. As the Notice and Annual Report is already circulated to all the members, I take the Notice, Statutory Auditors' report, Secretarial Audit report and Board's Report as read.</p> <p>We will now take up the resolutions as set forth in the Notice.</p> <ol style="list-style-type: none"> 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 23, together with the Reports of Directors and the Auditors thereon; 2. To appoint a director in place of Navdeep Naresh Goyal, who retires by rotation and being eligible, offers himself for re-appointment. 3. Ratification of remuneration of the Cost Auditors for the financial year ending 31st March 2024. 4. Re-appointment of Mr. Lalit Chaudhary as an Independent Director of the Company. 5. Re-appointment of Mr. Bharat Chunilal Shah as an Independent Director of the Company. 6. Re-appointment of Ms. Neelu Atulkumar Shah as an Independent Director of the Company. <p>Since all the Resolutions have already been put to vote through remote e-voting, there will be no proposing and seconding of the Resolutions and there would be no voting by show of hands. Voting is available during the meeting and will be available till 15 minutes from the conclusion of this meeting.</p> <p>If any member desires to ask any questions pertaining to any item on the Notice, he/she may do so now. Members are requested to keep their questions brief and specific. The moderator will facilitate the question and answer session. And with this, I hand over this to the moderator.</p>
MODERATOR	Thank you, Sir. We have one speaker shareholder Mr. Santosh Kumar Saraf. Mr. Saraf please unmute your audio to speak. Please mention your name and location from where you are joining.
Mr. Santosh Kumar Saraf	<i>Haanji Namaskar! Sir mein ek minute video share kar raha hu. Just a minute. Shriman Shabapatiji, Upastith Sadasayagan, adhikarigan aur karamcharigan, mein Santosh Kumar Saraf app sabhi ko Namaskar karta hu, asha karta hu aap ache swasth mein ache se honge sir. Mein Secretary aur uski team ka abhar prakat karta hu jinhone mujhe link provide ki aur unka bhi abhar prakat karta hu jinhone mujhe speaker member bata diya to mere liye fyada raha sir. Ek aur kariban paune char sau employee aur karamachari ka abhar prakat karta hu jo hamari company ki</i>

growth mein kadi mehnat karte hai aur jinke karan aaj hamari company itne aage growth kar rahi hai. Aur bhaiyo aur behno mein prathna karunga isi tarah aap mehnat kariye hamari company acha result degi, acha result degi to hame bhi acha dividend milega.

Aur sir iss saal aapne dividend nai diya uska reason kya hai zarur bataiyega sir. Sir future mein company growth ka star kayam rahe aur aage bhi hum income badhaye iske liye kya kadam utha rahi hai company jarur bataiyega sir. Ek sir aapke wahan employee do sau aur worker kariban ek sau pachpan hai phir uske andar female employee sirf teen hai sir, to kya karan hai? Hamare female employee to office mein jarur kaam kar sakti hai. Aap chache sochte honge k factriyo me kaam nai kar sakti to ye bhi aapki soch theek nai hai. Factriyo me sir mauka mile to kafi aacha kaam kar sakti hai chahe vo chemical ki industry ho ya chahe jo bhi ho. Worker k andar unko mauka de sakte ho aap, ek sau pachpan worker me ek bhi aapke female worker nai hai iske baare mein vichar kariye kyu ki abhi desh chahta hai ki naari shakti aage badhe jisse desh ki pragati mein unka sahyog mile sir. Abhi dekhiye chandrayaan teen jo asambhav hai usko bhi hamari naari sakti ne sambhav karke dikhaya hai.

Aur sir, mein ye kahunga k aapne jo insurance ka jo benefit diya hai vo hamare jitne bhi employee hai unko kisine aapne benefit nai diya aur maternity benefit bhi nai diya aur worker ko bhi nai diya sir, kya reason hai? Unka legal haq hota hai maternity benefit. Sir kya karan se company unko ye cheez provide nai kar rahi, iska bhi bata sakiye to jarur bataiye sir. Kyu ki jo aadmi karta hai vo chahta hai k usko sab tarah ki government ki jo scheme hai vo mile sir.

Sir aapke jo factory hai wahan renewable energy ka kya use kar rahe hai aur kitne percentage renewable energy use kar rahe hai iske bare mein bataiyega. Ye jo chemical ki industry to hai wahan rainwater harvesting ki kya vyavastha hai? In case koi emergency mein kuch lage to uske liye kya vyavastha ki ja rahi hai?

Mein zyada kuch nahi kahunga kyu ki aapne apne vaktavya me kafi kuch samjaya bhi hai. Aacha bhi laga, aapka vaktavya sunke mujhe aacha bhi laga. Aur aapne jis hisab se bataya ki company ki kya position hai vo bhi aacha laga. Sirf ye kahunga sir, ye VC meeting kafi aachi hoti hai dekhiye aap kahan rehte hai Gujarat k andar aur mein kahan rehta hu Bengal k andar me. Ye VC ka madhyam hai k mein apni bhavana hamare karamchari ke prati, director ke prati aaj prakat kar sakta hu. Ke jo karamchari factrio me kaam karte hai vo bhi asha karte hai k aache kaam ka koi na koi to aabhar prakat kare sir. Ye mauka dijiyega agle saal agar physical meeting karte bhi hai to VC ka option rakhiyega. Isme mein kai cheez dekh raha hu k aap jaise ek do director hai jo dusri jagah se bhi join kiye hue hai apni place se, iska fyada hai. To future me agar physical meeting rakhte ho to VC ka option rakhiyega jisse jo directors physically attend nai kar sakte hall mein vo VC k madhyam se jud sakte hai. Jo shareholder, hamare jaise chiatte saal ki umar wale shareholder, jo practically nai ja sakte vo apne ghar se apne karmachario ko apni bhavana prakat kar sakte hai.

Mein zyada kuch nahi kahunga, financial year 2023-24 ki aapke aur aapke parivaar ke jitne karamchari hai aur jitne bhi hamare worker hai unke parivaar ki subhkamna deta hu aur Bhagwan se prathna karta hu financial year 2023-24 sabhi k liye healthy, wealthy proper safety k saath bitein to agle saal jab VC meeting me aap mujhe nimantran kare tab naye josh, nayi umang aur naye growth k saath milenge ye mujhe asha hai. Aur hamare Secretary sahab se bhi kahunga kabhi ek ad phone kar liya kariye. Aap agar baat kare to aacha lagega sir. Namaskar.

CHAIRMAN	<p>Thank you, Santosh Kumarji! Thanks for appreciating every employee of the Company, all the directors of the Company. <i>Har kisi k involvement mein, har kisi k approach mein, unki koshish aur unke pursharth ko appreciate karne liye dhanyawad.</i></p> <p><i>Aapne cover up kara dividend. Ji haan iss saal hamne dividend nahi diya. Jo interim diya tha char rupay vohi hamne maintain kara 40%. Because hamare aage plans hai capax ke which will be involving P10 and P11, jiske anadar capax ka application hai. As such company would be delighted to retain the profits with them. Aapke jo suggestions hai in respect of renewable energy and rainwater harvesting, option of VC, this have been taken note of. We will take care of this during the year aur hum aapko uske liye update bhi karenge. In respect to aapne jo kaha renewable energy. Hamne already 2.1 megawatt ka solar plant lagaye hue hai company ne and we are using that. Achi efficiencies pe chal rahe hai, acha kaam kar rahe hai, acha IIR mil raha hai company ko. By all means, it is working very good. Expanding them is under planning. Further usko kitna expand kar sakte hai vo evaluation chalu hai. We will take a call on that. I hope aapke requirements, aapke queries maine suffice kari. In case iske sivay bhi agar aapke paas aur bhi kuch bhi hai please get in touch with us, we will always respond to you in all manners. Thank you, Santosh Kumarji.</i></p> <p>Moderator, are there any person who are over here.</p>
MODERATOR	<p>Sir there is no further speaker so the session of question from the shareholders ends here. Thank you.</p>
CHAIRMAN	<p>Thank you.</p> <p>I thank all the members for their queries and views. As mentioned earlier, the members who have not already cast their vote, may cast their vote now, which will be available for 15 minutes from the conclusion of this meeting. Mr. Chirag Rathod, Proprietor, Rathod & Co., Practicing Company Secretaries, have been appointed as the Scrutinizer to report on the voting results. The results will be declared and submitted to the stock exchanges within two working days from the conclusion of this meeting and disseminated on the Company's website along with scrutinizer's report. I authorize the Company Secretary to do the needful. Resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.</p> <p>I am grateful to all the members and to the Board of Directors who have taken time to join this meeting. With this, I hereby declare the proceedings of the 34th AGM of the Company closed. Thank you for all.</p> <p>Thanks again.</p>

Please note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings of AGM.