

## Transcript of 37<sup>th</sup> Annual General Meeting

Chairman : Welcome you all to this annual general meeting. My first duty will be to introduce the directors on the dias.

On my team left is Mrs. Shanti Thomas. And next to us is Mr. Kavita Vijay, independent woman director.

So all of course know Mr. Alagappan, he's well known to you. On my right Mr. Shankar, also well known figure, and my colleague Mr. Habibu Hussain on the extreme right. Senior members of Management here, Mr. Rahul Thomas, who has now moved to Dubai to head the Dubai subsidiary and handle all the international marketing and market development and possibly acquisitions for the company.

Mr. Krishna Kumar was the head of operation. Mr. ramadas and our company secretary. Since we have core room for the meeting, may I commence the business?

I'd like to inform the members that Mr. Bopanna, our director, could not make it as he's unwell and he's based in Coorg.. He is not able to travel, so I request you to please grant leave of absence to Mr. Bopana.

To also inform the members that statutory auditor, statutory registers and audit report and secretarial audit report and other documents as required under the act are available at the meeting hall for inspection.

My request the company secretary will read the notice convening the annual general meeting.

Okay, with the permission of the chair on this,

take it as read, thank you.

I'd like to inform the members that as section 145 of the company's act 2013, the audit's report, which is unqualified, need not be read at the annual general meeting. Also to inform members that the secraterial audit report issued by the company's secretary in practice does not contain any qualification, observation of comments and therefore need not be read at this meeting.

Thank you.

I'll just move on now to my speech.

On behalf of the board of directors, it gives me great pleasure to welcome you all to the 37th annual general meeting of the company. Your company's annual reports for the year ended 31st March, 2023, along with the director's report and audited annual accounts have already been circulated to you.

And with your permission, I should consider them as read. I would like to briefly mention the salient results of the company doing the fiscal year 2023 and our plans for the immediate future.

Operation review overview.

The demand for our products was strong during the year under review. All divisions recorded growth or sustained volumes with marigold, value-added teas, spices and animal health nutrition, witnessing excellent performance to top line as well as contribution. The marigold division performed well,

witnessing a 30% increase in sales. The first two quarters experienced very strong market prices and demand for feed-grade marigold products.

Despite challenging growing conditions that witnessed a 20% drop in flower collection, the company's marigold stock position allowed us to capitalize on the strong market demand.

The subsequent two quarters witnessed a major downward conduction in market prices in demand, which the company was able to counter due to increased demand for food-grade marigold and G.S. Hampton products.

Global demand for value-added teas products also continued to remain stable post-pandemic. Our decaffeinated tea volumes were in line with budget and instant tea sales increased by 30% in comparison to previous years. We continued to work closely with key accounts and capitalize on market demand for ensuring a strong and reliable supply chain and product portfolio.

Continued R&D and product development also allowed the company to onboard new customers and key global accounts, which contributed to the increase in volumes. Spicy stack continued to be a stable division.

Despite sluggish market demand and customer stock build-up issues, the company was able to achieve its targets and improve profitability. Through a focused sales approach on higher-valued products. The company continues to make inroads in the animal nutrition division, despite several hurdles. Political and regulatory issues in key markets like South America, coupled with disease outbreaks and increased feed-ingredient costs, put pressure on feed additive suppliers.

However, the strong product offering the division still witnessed 115 volume increase compared to the previous year.

Financial performance.

I'm happy to say that the total income from operations amounted to 584.57 crores in 2.23 compared to the previous year of 551.51 crores, almost a 6% growth. Net profit after tax increased to 75.04 crores from 70.67 crores in the previous year and return in equity was healthy at over 17%.

Your directors are pleased to recommend the final dividend of rupees 0.6 per share, 60% face value of rupees 1 each on equity share capital for the year ending March 23, amounting to rupees 9.14 crores.

During the year the board declared interim dividend of 40% amounting to 6.09 crores.

The aggregate of dividend declared during the year is rupees 1 per share, 100%, with face value of rupees 1 each amounting to 15.23 crores.

Future outlook.

The immediate future poses some difficult challenges for the company to navigate.

The prolonged war in Ukraine continues to cause for concern to global markets and business.

The highly charged geopolitical climate along with unchecked inflation and key markets continue to dampen growth opportunities.

In addition to market conditions, new regulatory norms and rules have created significant hurdles in being able to scale and grow at a faster rate.

Despite the immediate challenges, the company maintains a very positive outlook for the future.

We continue to foray into new segments with multiple new projects and products in development that will bear fruit in the years to come.

Marigold in the Spicic Stacks will continue to be key divisions, new products and innovative changes to supply chain and production will not only allow us to address new regulatory requirements, will help us diversify portfolio and product offerings, creating a more sustainable future for these divisions.

Speciality extracts has witnessed significant growth in the last few years,

and will be an area of focus with capacity expansion  
in the near future.

The company will continue to strengthen  
its agricultural growing base  
while focusing on new products, processes and cost improvements.

The animal health and nutrition division will continue  
to witness growth in the coming years  
as we expand our portfolio of markets and strategic alliances.

We will continue to invest resources  
in technology and processes that will  
allow us to remain relevant in a competitive market.

Our focus will continue to be on higher value ingredients  
with an emphasis on solution-based selling.

New divisions in cosmetics,  
co-op science and new to speakers  
will begin to take shape in the coming years  
and add to the growth of the company.

The company will also invest resources  
in the development of high potential businesses  
with synergies for existing businesses  
that will enable us to strengthen our supply chain  
and backward integration operations.

A acknowledgement.

Before I conclude,

I wish to take this option to express  
my sincere gratitude to our customers for their continued support.

I also thank all my colleagues on the board  
and their continued support for their continued support and guidance.

On behalf of the board,

I would like to place and record my sincere thanks  
in appreciation to all our shareholders,  
farmers, bankers, suppliers and other stakeholders  
for their continued support of the company.

Last but not least,

I would like to thank all our employees  
for the high level of motivation,  
commitment and hard work,  
especially during the pandemic years.

Thank you all.

I'd like to inform the members that person to section 108  
of the Companies Act 2013  
and regulation 44 of securities exchange board of India,  
regulations 2015,

the company has conducted the e-voting process  
on Tuesday, 22 August, 2029 a.m.

to Thursday, 24 August, 2023, 5 p.m.

Members who have not already cast their vote  
for e-voting shall be eligible to participate  
in the ballot process being provided  
by the company at this venue.

Mr. V. Suresh Company Secretary in practice  
has been appointed as a scrutinizer  
to scrutinize the remote e-voting  
and voting through ballot at the AGM venue  
and report their own.

The consolidated results will be announced within 48 hours  
to both BAC limited  
and the national stock exchange of India limited,

and it will be uploaded in the website of the company.

Our representative will distribute the ballot papers  
at the end of the meeting

and the poll will be open for 15 minutes  
for you to complete your voting.

It's now I am happy to invite queries for members  
and request you to stick your questions to the accounts  
and other agenda items placed before the meeting.

We will answer all the questions together,  
all the points you will club the questions  
and answer them in the meeting.

Thank you.

Chairman.

My name is Bhagavan Aband Shahr Holda.

We are attending after five years.

Second meeting in Chennai.

Earlier we had two meetings.

Third meeting I think.

The SARS security and TVS electronics  
and e-voting for this factor.

We have to conquer the board of directors  
because we are having a kit together.

This meeting I think as I get together meeting all our directors  
for a long time.

So in this we can exchange our views  
about the performance of the company,  
as well as our sufferings with regard to the various electronics  
in which a company has not taken care of us.

Our company's performance in the current year

is better comparing with the last year.

But as a shareholder we expect

that dividend payout is the area

where our board of directors most conservative.

Last year we did not get any bonus at all.

So the undistributed profit is accumulating every year

and they are having a constant view of every year

transferring 25 gross to general resource.

This is a export oriented company

where we will be having more to serve available

for distribution to our their holders.

Let us have all enjoy the benefit of the growth

as well as the wealth of the company.

So that area is required for board of directors

as a concern and I request them

they will definitely exceed your request.

We see to the factory may also be arranged during the current year

so that we may be able to know what are the products

in which our company can improve.

So our holders may have their view to express

different ideas may flourish the company's in a further scale up.

Before 40 years our company will be able to

scale up the position.

We are having four strategies.

All the four strategies should have contributed

to the main company more wealthy, more income.

But somehow other it is still on the primitive stage.

Why I am telling you that equity as well as their

apprentices are most meeting the same position.

So here and there some company is able to give more welfare  
but some of the companies eating their welfare, their other companies.

So because the other it is necessary to have  
any companies can be merged.

But these companies are existing for the sales  
purposes in foreign countries.

So I request the board of directors  
they consider various companies,  
actually companies may be merged in a small company.

The EPS gone down from 2000  
to 2021 onwards, 0.93.

Market cap of the company's being machine,  
this company after 37 years is having a 1338 close only.

The market capitalization should be increased.

How there are various ways available for the board of directors  
to attract many shareholders during the last four years  
they have opened more and more account.

But this company is still having the limited shareholders only.

The 16,000 to 20,000, PH 79, 79 in which you can find 38,000 shareholders.  
37 years, 38,000 shareholders only promoted as well as the public only.

Now financial institution participating,  
now direct institution investment participating,  
mutual funding also not participating.

There should be more and more attractions should be met.

The board of directors if necessary call for a investor meeting  
or the mutual funding representative may be asked to  
to modify our developments.

And the page is 79, who have mentioned that  
investor education protection fund nearly 1.0 from this alarming.



So our request to the shareholders and especially the shareholders committee director has to initiate action with regard to the who are the shareholders and why they are not claimed.

Like that the remainder may be issued.

Instead of keeping all these investor websites and they may pursue all of these, you will be transferring the funds to the investors education participants.

It is not a good idea.

It is a good not a good corporate governance also.

And the page is 79 itself.

The ABT natural product unclaimed suspense account is nearly 563,000.

That's also alarming.

So I request the board of directors to explore the possibility of over the shareholders and how it is under suspense account for a long time.

So instead of keeping this in suspense account, at least you make an office, well next year you make a becoming under the regular platform.

Page 90.

But provision for taxation itself is totally taking the income.

So whether it is necessary to hold such company or not, this is a judicial decision on the board of directors.

And similarly, on the 149, you are given five years financial performance.

Book value in 2008, 1917, this year, 2009.

Almost again.

But dividend, well you are coming very, one rupee.

One rupee means one rupee hundred rupees.

There are many companies giving you a nearly 400 to 500%.

Special dividend also they are giving you.

You are having,

this year after Sada Bhatt, about 25 crores to the general reserve,  
nearly one for degressing.

Why you are not given a special dividend for the Sada Bhatt.

Special dividend means it is a, many people,

nowadays you are aware,

almost many shareholders are aware,

yeah, it's taking entire money, five-year income tax pay.

It is better to give bonus tax pay.

So that,

that holders will be stand to benefit.

So for the last eight years, no bonus has been given.

What is a rational, for a rational idea,

for having not to issue a bonder?

I want to know.

Page 90,

for having large number of outstanding amount,

dates back to 2004 investment.

I request the board of directors to minimize the number of accounts

in the portfolio,

conditional liability.

Nearly eight or nine accounts are there.

Next year, I expect this board of directors to minimize the

conditional liability sum of only two or three.

That should be giving a clean balance sheet for the company.

So, conditional liability is anyhow, you are paid some under protest.

Let the protest,

let the, all the money may be paid.

Because shareholders now, we are not having no other alternative.

Even two rupees, if you get dividend,

that will be taken to the AS income tax return.

If you get 5,000 rupees, 10% deducted at shows.

So we have no other alternative.

Like that, our company also should give you a very clean balance sheet.

So I think, in the interest of the shareholders,

and the interest of the company's welfare,

I have talked about all these things,

though it is not as costly.

It may be here and there, I am printing to a note.

It's an opportunity to have taken the right street,

or our chairman, as he knows, may well.

So, I thank each and every on behalf of each and shareholders

to conduct a meeting to know the views of the shareholders.

Thank you.

Anybody else?

Good morning.

Good morning, everyone.

First of all, I would like to thank ABT Management

to conduct the physical meeting,

because the real touch and go is something real free,

is something which is achievable in physical meeting

as compared to the virtual meetings.

Oh, sorry.

So my name is Recon Tias.

Recon Tias.

So, and one more congratulations for the management,

for having a very steady growth.

One of the very clean, I would say,  
balance sheets now which you are having,  
and it's consistent.

I'm extremely happy, and extremely, I congratulate you,  
because there are definitely a lot of people who talks about  
one repeat, even two repeat, even sometimes, you know, micro stuff,  
but, you know, running an organization on a consistent basis  
for long years is really an achievable stuff.

And I would like to use this opportunity to ask you a question,  
like Chandrayan, I mean, you know, using this opportunity,  
congratulate our scientists to, you know,  
get our space mission as successful, like Chandrayan,  
if you see, you keep in the same orbit for some time,  
and then take that, you know, vehicle to the next level.

Similar lines, you have consistently, you know,  
know how to, you know, make it working and all.

So, we don't, you know, take ABT Natural Product Company  
to the next level, because you have consistently,  
you are aware of, you know, what your business is all about.

So, and definitely, there will be a finance needs and all.

You have, the reserves for the last 10 years,  
you have consistently increased the reserves, which is a very good thing,  
and there is no depth, which is amazing stuff.

So, when you wanted to raise capital,  
or when you wanted to grow to the next orbit,  
the finance is very naturally, you are going to get it,  
because of, and you know the business very well,  
for consistent 34 years, you have done it.

I mean, I definitely request you to, you know,  
delve into that and say that, you know,  
why ABT Natural Products cannot get into the next orbit.

When I say next orbit, instead of talking about 15% growth,  
10% growth year and year, for how about 3x growth, 4x growth  
in the next 2-3 years, and finance is going to be very much,  
I mean, like, no, banks are going to come to you  
because of your, you know, consistency and all,  
your balance sheet is so clean.

I have only one, I mean, so this is one question,  
specifically I would like you to address,  
but the only concern with respect to the balance sheet is the OPM,  
operational, you know, profit margin.

It is for, from the last 2012, consistently it is coming down.

I mean, obviously because of multiple reasons,  
employee cost and all, but you know the business very well,  
and you are like, a veteran now, I mean, ABT agreement,  
and it's so niche product you are into, I mean,

I mean, like, you know, my previous person said,  
why not to increase the, you know, participation from FIA and all,  
but I think we don't need to really, you don't need to really go,  
go behind them, the minute they find you, they will naturally  
come to you because of the quality which you are displaying.

So the core two questions, OPM is coming down,  
and what is your plan to address it?

The other question is, like Chandra and what is your plan  
with respect to get into 3x, 4x or multiplex, and I, I mean,  
I am very convinced that you can easily do it,  
without you, there is no need to, because I do understand that you are,

like, very conservative, but I can be very confident because you have proven, you have the business, you have the proven business with you, and you are completely aware of how to get your, you know, balance sheet intact.

So, those two things probably are, thank you very much for the opportunity.

Thank you.

So, my name is Abhishek, share out of the company, my DPID IN301637 and client ID is 4135, 9155.

So, first of all, I congratulate the management on the EU of 37 annual general body meetings.

So trust all is well with you and your family in this challenging situation, our company deserves much more respect than the current market cap after completing more than a decade of successful operations, profitability, dividend history, and becoming one of the strongest brands in our respective segment.

So, first of all, coming to, I'll go by page number wise, coming to page, first of all, I thank the management for having considered physical ADM because you can see most of the investors able to join you in the physical meetings.

So, I would request the management to try to consider hybrid ADM so that Pan-India shareholders can also join in the virtual platform.

So, page number one, we do have so many subsidiary companies, whether any dividend being declared by the subsidiary company to the parent company during the year.

I would like to know from you, sir, and page number 10, we do have, you know, most of our other group companies have not taken initiative to consider physical or hybrid ADM.

So, trying to consider physical or hybrid ADM in the years to come for other group companies.

So, page number 12, we can see that we do appreciate the management for having the transfer of 25 crores to the general reserve during the, every year the company takes some initiative to increase the reserve.

So, there is really good initiative being done by the management, we do reach the management for that.

So, page number 75, page number 75.

So, we can see that there's 75 regarding the shares being transferred to IPL.

So, there's most of the companies are the misrepresentation actually, in your para itself, page number 75, para number 22.

In the last para, in the right of the course, the company are doing the year transferred to IPL.

Authority, the unclaimed dividends outstanding for seven consecutive years.

Only the shares to be transferred, the dividends to be transferred, which are not being claimed by the shareholders for seven consecutive years.

Even assuming if the shareholders claim the dividend is there, not claimed in the year 2016.

It subsequently claims in the year 2022.

So, the chain is being broken.

So, that consecutive years is not coming.

So, that shares are only the dividend is supposed to be sent to IPL, but the shares are not supposed to be sent to IPL, but certain companies are being implementing the practice of sending the shares also to invest in protection fund.

Only the dividends, the share order was not claimed dividend for seven consecutive years.

Only those shares are supposed to be sent to IPL from the demand account of the shareholders.

So, page number 79, we have around 38,000 share orders.

So, how many annual reports are being dispatched to the share orders?

So, kindly update us on that.

And what is the minimum requirement required for the annual general body meeting?

I would like to know from you, sir.

And regarding the group, I may already have spoken about.

So, page number 90.

Regarding the disputes being pending with various forums on the release, rental sales tax, income tax, parallel weighted tax.

So, what steps have we taken by the management to arrive at a compromise or settlement?

So, that as soon as possible, the disputes may be settled.

And whether any steps being taken to settle the matter by paying 50% of the amount amicably.

So, page number 128.

So, we have the expenses part.

Everything are in control, sir.

It is equivalent to previous year.

But only there is a thing.

Our donation and charity apart, the company does a very good CSR throughout South India basis.

The company has done very good CSR initiatives.

I have seen the videos as well.

But we can see that apart from the donation, there is a



donation and charity as well.

Why do not we club this expenditure also in the CSR?

Because 2% of the investment goes towards already CSR.

So, why do not we merge the donation also?

It is CSR so that liability may come down, sir.

Then try to consider a factory visit for the invest of fraternity in the US to come.

So, I do not think the company has arranged any factory visit in the past 10, 15 years.

So, try to consider that.

And once again, I thank the management for having considered a physical idiom.

Try to consider the hybrid idiom in the US to come.

I thank the company security and our entire team for conducting the ADM physically and making this 37th annual general body meeting a grand success.

I wish the company and the board of directors a great success and prosperity in the coming future.

Thank you for giving the opportunity.

Thank you.

Yeah, good morning, sir.

My name is Hardik Jian.

I have come from Bombay to attend your meeting.

So, if you can just brief us about what is the current situation of the numerical prices, the demand scenario and the situation of supply or supply from China.

So, it will give us some perspective about the business.

And what are your thoughts on the growth potential for our tea segment because it has already done well in the last year.

So, your thoughts on that.

So, you mentioned in your annual report that we have completed trials and commercial discussions are under way for animal nutrition business.

So, how big is the opportunity and what kind of sales and margins we can do in this business in the next two to three years.

You also mentioned about strategic relationship with NutriCo.

So, if you can tell us something more about it.

What is this strategic relationship with NutriCo?

What are we planning to do with them?

And one new initiative that we are doing is, and you mentioned in your annual report is Dharma cosmetics and nutraceuticals.

So, at what stage these developments are and when can we start seeing the revenue from this and what is the opportunity that we have in this segment.

And lastly, sir, the margins in Q1 this year had come down sharply.

So, I assume it is largely due to merigold business.

If you can tell us more about it.

Thank you.

Hi, this is Hittish.

I have come from Bombay to attend this AGM.

Thanks for the opportunity and congratulations for the way that you have set up this organization from just being largely present in the merigold segment.

Today you have three established segments and you are continuing to look at newer avenues of growth.

Sir, I have a long list.

Sorry, I could not send the questions in advance, but I will just restrict to what is critical needed.

So, in the merigold could you help us understand what the realizations were

last year and in the current year where you see the realization of what are the spot realization.

How is the situation on the merigold side?

Because in your opening remarks you did mention that there was some production or the merigold supply wasn't great in the second half.

How is it now this year and what is the outlook for it?

In the annual report you also mentioned that there is a hybrid seed that you have worked on for the commercial and full-hour production in it.

So, and you expect some 20 percent better efficiencies.

So, will we be retaining this efficiency or will we be passing on to the end customer over here.

In the spices, what are the reasons for the fall in the revenue last year and what is the outlook for the current year?

Tea coffee, I believe there was a decline in the margins last year what caused the decline and how do you see it in the current year?

We are also doubling our capacity in the decaffeinated tea.

When do you have a firm commitment from the customers here and when do you see a full utilization of this incremental capacity?

What is expected growth in the tea and coffee segment in the current year?

So, in the past when you ventured into the rosemary segment you were anticipating a 70-75 crows of annual opportunity.

Could you just share what was the revenue last year and how has the growth been in line with what we had anticipated earlier?

The overall revenue contribution from the top customer which I presume is CEMN has increased from 32 to 43.

Is this led by rosemary or what has led to this increase?

Coming to your new segments in the annual nutrition segment,

I believe many new customers have mentioned that they are in the commercial lead discussion stage.

Things have been slower over here on the ramp up side than what initially when we had a discussion I think there was a lot of opportunities that we were exploring the Latin American markets.

Could you just share what the revenue contribution is and when can we see a ramp up here because I believe it has been three, this is the third year into operations here.

And are we looking to collaborate with, because you also mentioned about strategic alliances that you are looking at.

Are we looking at any in this segment?

Also on the Nutrico partnership could you share what is the work that we are looking forward to and I believe the core development work was supposed to start in Q1 of FY24.

Has it started and how big can this opportunity be?

Again, the methodology side, what are the products are we looking at?

Is it an ancillary to the marigold extraction that we do or is it a completely newer segment if you can just share those.

We spent about 13 tours in R&D last year.

What is the budgeted R&D spend for the current year?

Yeah, I guess the revenue from the India markets had decreased last year.

What led to the decline in the revenues?

I believe that is largely the T segment, which we have in India and what led to the decline.

Power and fuel costs had increased sharply last year, despite a flattish growth from 38 to 50 crores, any one of over here.

Lastly, if you can just briefly give some sense on the capacity across different segments, capacity utilization across different segments.

And so in the last region also you know you did give a hint towards the end that you are looking for a greenfield project which could be in collaboration with somebody.

We haven't heard much there any development of what is anything new

that has transpired in that area if you can share on that.

Thank you so much.

Thank you.

I want to come.

Good afternoon to everybody.

I am Prakash Galada.

I refer to page number 78

where we have high and low graph are the figures.

The shares value has depreciated then it was 124 or 135 during April month 22.

Hope this will now improve because the consumption of tea or other things are also better.

And our export also must be doing it better.

Do you think there will be a future price rise in our market price also?

And coming to page 149, five years figures have been given for the financial highlights.

Ten years is the normal practice but still five years now because COVID were there in this thing.

So we will not know exactly whether the figures are comparable easily.

So ten years figure should be something useful.

It is only a old five years you have to add.

And coming to our subsidiaries, page 210, item number 50 list of investment in subsidiaries.

ABT Natural Europe has been name change from ABT service this thing in United Kingdom.

Is there any specific reason for changing the name?

And last item in Dubai we have started recently maybe at the fact end of the year.

ABT, Dubai company.

What is the quantum of investment?

There 100% has been given but the quantum value has not been given.

Thank you very much sir.

Thank you for're more than

£15,000.

Hi.

Thank you.

You are born now.

Me am born now.

That means that they hated.

All glasses will last.

Thank you.

Another version of other

techno- Mozmen?

That doesn't really mean this.

SuperUSE

Gan experience today,

Today?

Oh.

SuperUSE

Since the price competition is increasing for Marigold due to China's dumping, please elaborate on when and how the R&D efforts are going to improve yield and when is that going to reflect in the bottom line.

And what are your major levers in terms of the capital allocation that will help the company gain traction in the next three to five years to increase the relative profitability?

And how prone is the company to unions since the company buys a lot or like the majority of its produced from the farmers and are the farmers obliged to sell to the company or they can choose not to and if they do have a choice, what would incentivize them to choose AVD?

That's it.

Thank you.

Hi, I'm Vijay Kumar, the shareholder of the company and the outset I'd like to congratulate the management for the consistent good performance.

I want some two clarifications, the chairman's speech, he's mentioned that there is a 20% drop in the flower collection, what are the steps taken to ensure guarantee supply of flower since it is the basic raw material for our products and under CSR scheme, under CSR scheme, kindly allocate some funds for chain name, drinking water supplies, as the eraser

office of the company is in chain name, please allocate some funds for chain name drinking water supplies schemes and then regarding the new division, animal nutrition, kindly elaborate what are all the types of products and what are all the customers you are aiming at.

And do we have any patents registered with the company for the produce and I request the diversify their products, possibly they can consider name and policy, policy aspects are widely used in other pharmaceutical products, so you can consider the diversification, which may enhance your channel, thank you.

Thank you.

I attend this meeting not to make any questions mainly, but to see the chairman and the directors and the co-share holders and that gives me much happiness with Yasenga, Mr. Patmanavan and all. There was no touch between us for the last four to five years.

There people come to the meeting after studying the annual reports, I come without studying much, so there are confirmations, those who have spoken here about the company and ask the questions, their confirmations is really valuable, once in a year only we meet.

We ask the questions, the management is answerable, they are supposed to answer it.

Here, I do not go for any questions, but you have made a news this year that after COVID, you have sent to the shareholders the annual report and called for the AGM meeting and after COVID I am receiving the annual report first from our company only, I was very happy when I received this book because this is the first company I received the annual report to attend the physical meeting.

Some other companies are avoiding, personally avoiding the physical meeting in the name of COVID and they are going on conducting the audio meeting only without giving the chance to the ordinary poor shareholders.

Now, coming to one or two points, if anybody asked me whether your company is a debt-free company or not,

what shall I answer? According to my knowledge, I will say it is a debt-free company.

If it is wrong, company secretary or chairman can correct me.

If it is a debt-free company, you can make your shareholders also wealthy, how?

You can declare a bonus.

That bonus will help the shareholders to increase their wealth in the respect of their number of shares.

If it is not a debt-free company and you require the fund, ask for a rights issue.

Give a deep discount and declare for a rights issue.

Now, as you made a news to conduct the physical meeting because of the care for the small retail holders, you may kindly declare something which is major to the shareholders.

Either a bonus share or a rights issue, something like that.

Again, I will record my thanks to the management for conducting the meeting after COVID. Thank you very much.

Thank you.

Good afternoon, sir. My name is Manish Sundaram.

This year, now today, welcome 37th annual general body by meeting by physically very happy.

Chairman Ajith Thomas, I am the board of director, board of director and company secretary.

This year, we have given dividend non-stoply very happy, sir.

Page number 21, CSR activity, you are continually given by the sum of the shareholders want to clarification.

Then, page number 95, other income, last year comparing 961.58, this year has been reduced, 231.73, and also other expenses, 2022, 143.68, this year, 16608.48, it has been raised.

The expense is more, total expense is also very more.

Page number 90, you have 7 disputes, have some necessary steps to solve this one.

And also, you have an impact share 4.93, very good, sir.

Page number 125, power in contract liabilities, it is regularly going on.

And page number 126, other income, last year comparing this year is 4 times, has been very low.

Page number 128, legal and professional charges are very more.

And previously, shareholders asked a tenured glance of performance.

Please, next year, we will be continuing.

And I will report.

Thank you, thanks a lot.

They have given a chance to attend all the shareholders after COVID.

Thank you, thanks a lot, sir.

Thank you.



Good afternoon, all of you.

My name is Amal.

Very special congratulations to the Chairman and the Board of Directors on the 37th AGM.

And I would also like to thank you for organizing the in-person AGM.

I think the last one that we had in person was 2000-19.

And I also recollect the conversation I had with the Chairman and his son about the plans they had, about the expansion and what they foresee in the days to come.

And I'm glad that I had that conversation.

And after the conversation, I trusted the company and I did invest my money, not only my money, but I also recommended to my friends.

And they are happy about what they are seeing with the growth with respect to the share price, though it is up and down.

But it has increased multiple folds when compared to what it was in 2019.

So, thank you for the consistent hard work, the Board and the employees supporting into this company.

So, thank you so much for that.

Coming to specific questions.

With respect to the near-term future challenges and threats, like with respect to geopolitical things, what is specifically affecting the company and what are the steps that you are taking to overcome that so that we can be consistent with our approach in growth.

And with respect to the products that you are having, do you have any challenging competitors?

If so, how are you going to, you already have your game plan, but I just want to get your thought on that.

And coming to the new segments, your speech says, Chairman Sir, that before entering new segments, please throw a little more light on that aspect.

And yeah, speciality G is something that is really growing significantly.

So, how are we going to maintain the share market at that market share?

Along with that, is there any expansion to build up on that?

Because that has been one of the consistent areas that you are seeing growth.

And coming to the export, this is a predominantly export based company.

So, are you venturing into any new geographical zones and what are they?

And are you going to specifically target a specific product based countries as such?

And again, thank you for giving us the opportunity to meet in person.

Thank you so much.

Thank you.

I think we have lots of questions.

I am going to try and vent them into three sets.

One of which I will answer mostly on the company policies and strategies.

And then I will ask Raoul to talk about the present scenario about the business and what is plans for the future.

And finally, Ramdas is available for any clarification of the balance sheet.

I have to say there that we have tried to be as transparent and informative as possible on the balance sheet.

And some of the things we can add next year, but some of them will just become too laborious to put in, but you always have access to the team to get your answers.

I think some of the key questions we came where, before I answer questions, I would like to say that these two years have been extremely good financially for us, you know, as you can see.

And to be honest, they actually even exceeded our expectations.

We had tailwinds, we had good market conditions, and you will see last year's particularly the first and second quarter are very good, which is very unusual for the company.

So, you know, a lot of things happen in our favor, and those good numbers are not typical years for the company.

And, you know, it may be slightly different this year in the next year, but then again, pick up a new policy.

On the dividend and bonus policy, your board of directors has tried to maintain a policy of being as generous and consistent as possible,

while retaining funds in the company, we are almost debt free for the future growth.

And apart from, you know, I would like to address the issue of subsidies, a lot of people have asked questions about subsidies.

Please understand the subsidies are mainly marketing companies for the business.

And you can't look at the profitability of the subsidies by themselves.

They are actually feeding a lot of business back to India, and a lot of money is being made, more money is being made in the Indian company

because of the marketing effect of the subsidies.

So, the subsidies aim is to create, you know, new markets and new business.

Having said that, we are also aggressive looking at potential acquisitions where we can, you know, organically grow the business in other countries.

Guarantees given the subsidies are just guarantees, you know, there is not actually money out, and that number will stay consistent because they are guarantees from here to here.

From a shareholders point of view on the EPS and the market cap, I mean, I have to say personally myself, the way the share price is moved has been a bit disappointing.

When we had record profit numbers last year, the price came down.

And before that, it ran up unexpectedly, and now one quarter of slightly poorer numbers, and again, the share is getting out.

But, you know, hopefully that trend over years is good, but this volatility is a matter of some concern.

And I think your board is aware that maybe we need to do some more investor relationship, which are something that we are looking at.

On the issue of a consolidated accounts, again, the relevant issue is the subsidies are mostly marketing.

So, consolidated accounts are slightly better than the normal accounts, but you're not going to see anything substantial better at this time.

Now, on the IEPF matter, we are very much aware of the rules and regulations and trying to follow that.

We do continue to try and trace shareholders who are missing.

There's a constant effort from the company to do that, and please rest assured we are doing that.

On the contingent liabilities, you can always get more results from Randa's, but then considering for the company of this, our operations, we don't have many.

We have expanded earlier board meetings that some of them are not worth settling.

We think we have a good case and we have to fight them, and we will continue to do that.

We're expecting favorable rulings from our side.

That is also the reference to tax disputes.

On the CSR, all the CSR, we strive to do the CSR in areas where we are present.

So, 100% of CSR is going into the areas where we have got connections with our farmers or our suppliers or our factories.

So, it's a very focused CSR, and it's paying us very good dividends in terms of better relationship with the regions across us, and I think the strategy is working well.

You would see somebody ask question on donation.

Yes, we had two good years.

We've donated some money apart from CSR to the EBT Group Trust, and all our employees also benefit.

Whenever our employees have health or educational issues or serious things, they are supported from the trust.

So, this is indirectly way of supporting our tax-free efficient way to our employees.

On the factory visit, this is really a very difficult question.

A lot of our customers expect us to sign confidential agreements with the products we are processing.

So, part of that is that, you know, we cannot allow people to come and see the process.

So, that's really the premium.

If we come to the factory, we may not be allowed.

You may not be allowed to see the actual operations, because customers expect us to keep contingency money.

So, that's something that we have to be careful about, and, you know, key customers are very important, so we can't, you know, upset them.

I will ask Raoul to give an update on the instant tea, the present Marigold business, the rosemary, and the animal health nutrition, which are the key questions operationally.

And in connection that we will talk about the capacity increment that we are planning.

Yes, we have a fair amount of liquidity in the company, and we are actually remarking that for our capital expansion.

We will potentially have a new factory in the third location.

As you know, we have one in Kerala, and one in Tiptur and Karnataka, and we are looking at third location.

So, we need to go to the top line of the company after that, you know, no capacity.

I think I have covered the questions that I would like to answer.

Maybe Raoul can speak briefly on the three points, and also on the Marigold flower.

I will just run through some other questions, and hopefully I have answered any questions or can ask me after as well.

I will touch base first on the Marigold situation, and one primarily on the stock situation.

Last year, even though we had a poor crop, one of the strategies we always take is a stretch target.

So, one of the questions was linked to how do we ensure that we get the guarantee quantities.

So, we are always having stretch targets, so even when we have poorer crop years, we are still able to at least achieve our targets for our commitments.

On the crop last year, we had some good stocks, we had some favorable tailwinds, and we saw feed prices go up.

China was unable to supply, so that was very good for us, and our position was able to capitalize on that.

This year, unfortunately, as everyone knows, it has been a very tough year in India from a drought perspective.

It's not just in India, it's actually globally and in China as well.

So, as of now, the stock situation is not great globally for Marigold.

We will be meeting our targets and our commitments because of these so-called stretch targets, while every other company in India today is actually facing a major shortage.

First and foremost, our target is to meet our contractual commitments before we can actually play in the open market.

One of the other challenges that we've seen in the Marigold is we are very competitive in Marigold.

All the efforts we talk about in terms of development of hybrids, backward integration, etc. has had fruit.

Unfortunately, years like last year in the second half, you see a very unfair competition from China.

While in India, a lot of the export incentives have been taken away, the subsidies have increased in China.

Up to 25% in certain instances.

So, we are actually playing in a very un-competitive, not un-competitive, but in an unfair market when it comes to countries like China.

If the market situations are favorable, if we're playing on a level playing field, we are actually very well positioned to capitalize and grow.

In the current years, in terms of Marigold, we are focusing on, obviously, it's a very key segment for us.

We continue to focus on R&D. We are continuously doing a lot of work on the backward integration to ensure we get the guaranteed volumes.

We're also adding a lot of new product lines to Marigold with our partner's cabinet in this space as well.

So, we'll see more diversification.

And the goal is to make sure that in the long run, even if China do sort of crash prices, we can still compete in those spaces as well.

It's a transition phase. We make good progress, but unfortunately, years like last year, it's difficult to address some things that are out of our control.

When we talk a little bit about the instanti side and our tea extracts, we had a very good year last year.

We've been growing considerably well. We've actually made a lot of inroads into big companies.

I think that's also testament to a lot of the R&D development work that we've been doing.

Last year, we saw a good inflow of new customers.

This current year, we also see a lot of good inroads. There will be some challenges not because of our products and the business itself.

It's general market conditions. What you're seeing when we talk about the first and second quarters, the general market in the US and Europe has slowed down.

We talk about the war in Ukraine. What are the issues? Inflation is a major challenge.

Companies are watching their costs. They're not holding stocks. They're running through some of their stocks.

While we're making all the right moves and we're in the right companies, we need global Western markets to pick up a little bit as well.

Then you'll start to see over the third and fourth quarter and over the next one to two years that market building.

What I will say is that while you see these little drops in volumes, it's not a permanent issue. It's a very short-term issue.

We've done everything correctly. We're in the right companies. We've got the right products.

Over the next three to four years, we'll be a very valuable part of that supply chain for global companies.

Rosemary is something that we did see a lot of potential. It has hit a few hiccups, not on our part, but again primarily on the sales side and the front end of that business.

However, we're sort of happy to say that most of those should be addressed in the coming year and we should see the expected growth coming back to us.

We're actually trying to strengthen that business even further on the back end as well with the partners coming on that space.

You had some questions about the animal health and nutrition business. I think it's important to know that we launched that business just before COVID.

You kind of have to take a few years out of that. We've made a lot of progress there.

I want to just say one thing about general R&D, general ingredient business, animal health and nutrition and everything.

This type of business, when you spend the money, you take a few years to see those benefits.

Most of your customers, most of your markets don't just overnight adopt these types of products.

In some cases, we have companies that have done almost two years of trials on our product before they will even put it into their business or into their premises.

The reason is that a small 1% drop in their performance has a huge impact across their entire thing.

They need to make sure that whatever product they put into their portfolio or into their business or into their finished product has a significant impact or doesn't have a negative impact.

The good news to that is that when you make patient and you wait through that two to three years cycle, the stickiness is there.

So for that customer to actually take your product out of their business is extremely difficult.

And that's generally the type of business we prefer.

So when we talk about animal health and nutrition, new products, et cetera, you generally look at a few years cycle.

We're currently in talks with other companies who have approached us because they're looking for alternatives to China.

We've been working with these companies for almost one to one and a half years now.

It might take us another one to one and a half years to actually materialize in terms of business.

But when that business comes, that's when you'll see those jumps.

So ours is not the type of business where you're going to see jumps every year necessarily.

But the groundwork and the RMD spend you're doing today will see good jumps over two to three year periods.

And that's generally how it works in this business.

On the animal health and nutrition side as I mentioned also we had a lot of challenges.

We had what I would call there's a disease called avian influenza which had a virulent outbreak across the US and Latin America which are big markets.

It's the equivalent of COVID in many ways for birds where you effectively have to go and kill all the birds.

So there were severe outbreaks that happened in the last two years.

But despite that we've actually witnessed 100% growth in that sales.

Even though it's a smaller baseline, we actually hope to keep targeting that 100% growth year on year for the next two years.

That relationship with new Treco as your last about, we have a very good portfolio of products.

We've spent a lot of money developing them.

We're selling directly in Latin America, Asia.

We started to have a very good relationship with them in success in Canada which had them come to us from a global perspective.

They wanted to introduce a botanical based feed additive business.

Rather than try and develop it from scratch, they liked our data, they liked our products, so they asked us to be our official sales partner for some of our products.

Now, New Treco is among the top five largest feed additive companies in the world.

They also have captive business in their premixed, finished feed.

It made sense to find a partner who could take your products and what you would possibly do over a longer period they could do in a shorter period.

They've got a lot of technical knowledge, they appreciate our research, they appreciate our supply chain, our sustainable operations.

The idea is just to grow with them, but it's not just that.

We are also working with other companies similar to New Treco today where we're getting a lot of inquiries to say can you develop products for us as well.

That can address certain problems in the animal feed business.

In addition to them, there are a lot of companies we're currently working with, but it takes two to three, four years to develop that for them.

But in the long run, you'll have a very robust portfolio and a good product and customer mix as well.

Ours is a combination of strategic partners as well as key direct customers as well in certain key markets.

You'll ask a little bit about the other areas like Derma, New Tresoorico.

The general idea here is that because we have a lot of knowledge and access to natural ingredients, we should leverage that knowledge to enter into different spaces.

It's not that we're trying to manufacture completely different products.

We're actually trying to create science and research behind some of these ingredients.

One other important point to remember today is the market has changed in the west where it's not enough to just develop this product and go ask a customer can you buy this product.

You actually have to come with all the clinical research.

So when you ask why does it take two to three years, you have to do all that research, human studies, animal studies, pet studies.

It takes time.

But when you come, you can actually command a better premium.

You can actually command a better price.

You're not trying to sell a commodity.

We've actually filed some patents now for some of these formulations, some of these products, and for some of these processes.

So we're answering the question about patents.

It's actually come out of the clinical research we're doing.

Happy to say that in the next few months, we're launching our first range of Derma's who to go ingredients in the US primarily for finalizing some of our sales partners there.



And over the next year, we should have some of the clinical data to also launch our nutraceutical and pet food ingredients.

Important to remember that a lot of the research coming in this business is actually stemming from the animal nutrition business where we create initial data and we leverage that for both human as well as the pet site as well.

So it's not completely different businesses.

There's actually a lot of synergies which allow us to go to these new spaces.

When it comes to capacity utilization, I think most of the businesses we are operating at about 80 percent.

Instant tea and tea extracts as one of those businesses, as we mentioned, has grown significantly and we are looking at expansion there as well.

It's about timing it correctly.

We're working very closely with the customers, understanding their market requirements.

We are also looking to merge a tea business along with others when we put up our investment so we can be doing it in the most economical manner and also find the ideal location.

So if we want to do another ingredient that we're talking to a customer about and we want to do tea, we want to make sure we can try and bring in synergies in the manufacturing process so that we find the right location which absorbs most of those coffee costs as well.

The point about the name change on the subsidiary, that's because we're not just selling tea, we're also trying to expand that to other products as well.

So it made more sense to change the company and the subsidiary names from that site.

I think that's answered most of the questions.

You asked last question about the geographies.

I think how and where we expand is based on one customer requests, strategic businesses, people asking us in one way.

If you take Latin America, for example, we started in Mexico, we grew to a few South American countries.

Now we're starting the registration processes in other countries.

We try to approach it in a very staged manner.

It's important to remember with all these businesses, you can't just go and sell also.

You have to do a registration process.

In India, when you want to sell a fertilizer or a pesticide, it takes a two to three, a process just to register it.

It's a similar process here. That had a lot of hiccups, but despite that, as I mentioned, we grew as well in that business.

And we'll continue to do so in the next little bit.

The last point I'll add is that a lot of these subsidiaries are also needed to do the registration.

You cannot just consolidate your subsidiaries in self from India.

If you're able to sell in the U.S. or sell in Latin America, you have to have a local entity that controls the registration of the product to even allow you to sell that.

That's one of the main reasons behind that as well.

I hope I've answered most of the questions, but if there are any more, please feel free to share with them.

I'll be happy to answer them.

Thank you, Raul.

Thank you.

Thank you.

Sir, thank you very much.

Sir, thank you.

The policy of the company remains the same.

The question on the investment in Kata about the Dubai investment is five crores.

The investment is five crores of the question.

Somebody asked, that's the answer.

It's in the process of going out, the money is probably go by end of this week.

And yeah.

I think this is an important point with Raoul's race.

The subsidies exist because we need a legal entity in those countries to get the registration to sell the product, to employ local people.

So we cannot merge them and those things.

And I can tell you the value of the subsidies is much higher than what the numbers reflect.

I think, sir, please, I will ask Ramdas now after the meeting to qualify.

We have got very orders also, you know.

Yeah, we are accounts are, you know, related party transactions.

I want to just clarify clearly.

They are only related part transactions are business related.

Within the group, we are buying tea from our plantations and processing.

Or we are, you know, and it's a small amount.

Yeah, no, no, I'm going to tell you, nothing to worry.

I'm giving you, my assurance, all related party transactions are business related and not big amounts.

Yeah, thank you.

Anyway, thank you for all the interest you took in studying the balance sheet so closely.

Much appreciated.

Ladies and gentlemen, I thank you all for coming.

It's good to meet all of you.

And I appreciate all the questions.

I know we have not been able to answer everything.

Raoul is here.

It's available.

I think Raoul has made some appointments with some of you at the data stage you want more details.

One positive thing I like to tell you before we close this.

We are getting a lot of new business copies in India because China is now, you know, not very considered a robust trading partner.

So we find more and more business which should have gone to China is coming to India and I think that's going to benefit your company.

I look forward to seeing you all next year.

Thank you all very much. Thank you.