

Anupam Rasayan India Limited
September 30, 2021



ANUPAM RASAYAN INDIA LIMITED

18TH ANNUAL GENERAL MEETING

SEPTEMBER 30, 2021 @ 4:30 p.m. IST

TRANSCRIPTS - 18TH ANNUAL GENERAL MEETING

Directors and KMP Present:

Dr Kiran Patel	Chairman and Non-executive Director
Mrs Mona Desai	Vice-chairperson and Whole-time Director
Mr Anand Desai	Managing Director
Mr Milan Thakkar	Non-executive Director
Mr Vijay Kumar Batra	Independent Director
Mr Vinesh Sadekar	Independent Director
Mr Hetul Mehta	Independent Director
Dr Namrata Jariwala	Independent Director
Mr Afzal Malkani	Chief Financial Officer
Ms Suchi Agarwal	Company Secretary and Compliance Officer

In attendance:

Mr Akshay Shah, Partner	Rajendra & Co., Chartered Accountants, Mumbai (Statutory Auditors)
Mr Shreyansh Jain, Partner and Authorised Representative	M.D. Baid & Associates Practicing Company Secretaries, Surat (Secretarial Auditor and Scrutinizer)

In aggregate, 48 (forty-eight) members were present at the meeting through video conference.

**Ms Suchi
Agarwal:** Good Evening Shareholders.

I, Suchi Agarwal, Company Secretary and Compliance Officer of Anupam Rasayan India Limited, welcome you all at the 18th Annual General Meeting of the Company.

I wish you and your family good health in these uncertain and unprecedented times. Stay safe.

As a matter of Convenience of the participating shareholders, I would like to take you through certain key points regarding participation at this meeting:

- The facility of joining AGM through video conference or other audio visual means and the live webcast of this AGM is being made available for members.
- All members who have joined this meeting are kept on mute by default to avoid disturbances arising from any background noise and ensure smooth conduct of the proceedings.
- Once the question-answer session commences, the name of the shareholders who have registered themselves as speaker shareholders will be announced one by one in the audio-video mute mode. The moderator will unmute them after announcing their names during the Q&A session.

- If the speaker shareholder is not able to join through video due to any reason, they can speak through audio mode. While speaking, we request the shareholder to use earphones so that they are clearly audible, minimize any noise in the background, ensure that Wi-Fi is not connected to any other devices, no other background applications are running on the device.
- If there is any connectivity problem with the speaker shareholder, we will ask the next speaker to join. If the connectivity improves, we will call those shareholders who had connectivity issues earlier to try once again after the other speaker shareholders complete their turn.
- We request the speaker shareholders to limit their speech to 2 minutes each.
- During the AGM, if a shareholder faces any technical issues, they can contact the helpline number mentioned in the notice of AGM and refer FAQs and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com. If, at any time during the AGM, you get disconnected, please recheck your internet connection and login using the same process.
- The shareholders may send their queries, if any, to the Company at investors@anupamrasayan.com, the same will be attended suitably.

Thank you all. I would now request Dr Kiran Patel, Chairman of the Company, to address the shareholders.

Dr Kiran Patel Dear Shareholders,
(Chairman):

Good Evening to all. I, Dr Kiran Patel, Chairman and Non-executive Director of the Company, attending this meeting from Florida, USA, extend a very warm welcome to each one of you at this 18th Annual General Meeting of Anupam Rasayan India Limited.

It gives me immense pleasure to greet you all at our maiden AGM post-listing of the Company's equity shares on BSE & NSE.

In view of the massive Covid-19 pandemic outbreak and considering the social distancing norms, this AGM is being conducted through Video Conferencing mode/Other Audio-Visual Means. The meeting is conducted in accordance with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Annual Report, along with the Notice of AGM, has been dispatched to all the eligible shareholders electronically only, in compliance with Circulars issued.

The e-voting facility is available during the AGM and 15 minutes thereafter.

Members attending the meeting through video conference are counted for the purpose of quorum under section 103 of Companies Act, 2013.

The requisite quorum being present, I call this meeting to order.

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Before I start the proceedings, I would like to request all the directors, CFO, Company Secretary & Compliance Officer, joining through video conference with their respective locations to introduce themselves.

I will begin with Mrs Mona Desai.

Mrs Mona Desai:

Thank you, Chairman.

Good Evening, everyone. I extend a very warm welcome to all our shareholders and I wish that everyone keeps healthy and safe.

I am Mona Desai, Vice-Chairperson and Whole-time Director. I am also the Chairperson of the Corporate Social Responsibility Committee and a member of the Stakeholder's Relationship Committee and the Risk Management Committee.

I am attending this AGM from the Company's registered office in Surat through video conference. Thank you.

Dr Kiran Patel (Chairman):

Mr Anand Desai

Mr Anand Desai:

Thank you, Chairman.

Good Evening everyone. I hope you and your family members are in good health and doing well.

I am Anand Desai, Managing Director of the Company, Chairperson of Risk Management Committee and member of Audit Committee. I am attending this AGM from the Company's registered office in Surat through video conference. Thank you.

Dr Kiran Patel (Chairman):

Mr Milan Thakkar

Mr Milan Thakkar:

Thank you, Chairman.

Good Evening everyone. I extend a very warm welcome to all our shareholders and extend my best wishes to everyone.

I am Milan Thakkar, Non-Executive Director. I am also a member of the Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee.

I am attending this AGM from the United Kingdom through video conference. Thank you.

Dr Kiran Patel (Chairman):

Mr Vinesh Sadekar

Mr Vinesh Sadekar: Thank you, Chairman.

Good evening everyone. I wish everyone good health.

I am Vinesh Sadekar, Independent Director and a member of the Nomination and Remuneration Committee and Risk Management Committee. I am attending this AGM from Mumbai through the video conference. Thank you.

Dr Kiran Patel (Chairman): Mr Hetul Mehta

Mr Hetul Mehta: Thank you, Chairman.

Good Evening everyone. I extend my very warm wishes to all our shareholders and directors and wish and hope that everyone keeps healthy and safe.

I am Hetul Mehta, Independent Director. I am also the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee and member of the Corporate Social Responsibility Committee.

I am attending this AGM from Surat through video conference. Thank you.

Dr Kiran Patel (Chairman): Dr Namrata Jariwala

Dr Namrata Jariwala: Thank you Chairman.

Good Evening everyone. I wish everyone good health.

I am Dr Namrata Jariwala, Independent Director. I am attending this AGM from the Company's registered office in Surat through video conference. Thank you.

Dr Kiran Patel (Chairman): Mr Vijay Kumar Batra

Mr Vijay Kumar Batra: Thank you, Chairman.

Good Evening everyone. I extend my very warm wishes to all our shareholders and directors and wish and hope that everyone keeps healthy and safe.

I am Vijay Kumar Batra, an Independent Director and Member of the Audit Committee.

I am attending this AGM from Delhi through video conference. Thank you.

Dr Kiran Patel (Chairman): Mr Afzal Malkani

**Mr Afzal
Malkani:**

Thank you, Chairman

I wish everyone a very good evening. Stay safe and healthy

I am Afzal Malkani, Chief Financial Officer, and I am attending this 18th AGM from the Company's registered office in Surat through video conference.
Thank you.

**Dr Kiran Patel
(Chairman):**

Ms Suchi Agarwal

**Ms Suchi
Agarwal:**

Thank you, Chairman

I wish everyone a very good evening. Stay safe and healthy

I am Suchi Agarwal, Company Secretary & Compliance Officer. I am attending this 18th AGM from the Company's registered office in Surat through video conference.
Thank you.

**Dr Kiran Patel
(Chairman):**

Mr Akshay Shah, Partner of Rajendra & Co., Chartered Accountants, and Statutory Auditor of the Company, is also present in this meeting from Mumbai through video conference.

"Dear Shareholders,

We have all experienced the spectre of Covid-19, which has been looming on us for the last year and a half. It has been a turbulent time, and people worldwide have suffered and endured this pandemic. It has challenged and disrupted economies and lives, and it is in these circumstances that one leans on its leadership to steer through the storm.

We at Anupam Rasayan not only navigated through all these challenges but have also spread the wings for a higher flight. We have also vaccinated all our employees and continue to monitor the pandemic closely following the national and local guidelines.

Despite the year's harrowing environment, we were able to deliver value for our customers as well as our shareholders. We are incorporating energy-efficient measures and are installing measures for using renewable energy resources (solar power). We are also using natural-gas based steam to run our plants and have tried to minimise our dependency on fossil fuel. Quality, innovation, environmental sustainability and people responsibility are the fundamental values which shape our business. More than our incremental strides in the business, assets and growth projections, these values drive us towards excellence.

I convey my heartfelt gratitude to our team for showing determination and resilience through these trying times. Even when much of the industry was in the doldrums, our team ensured production, operations, deliveries, and client satisfaction remained as usual.

I would also like to thank all my colleagues on the board, the senior management, our dedicated team, our clients, bankers, government and regulatory authorities for being instrumental in our success story.

Finally, and most importantly, I would like to thank the latest additions to our family of stakeholders i.e. you, our public shareholders, for being part of our growth story and empowering us in our journey ahead."

I invite Mr Anand Desai, Managing Director, to brief all the members about the business and financial performance of the Company for the financial year 2020-21.

**Mr Anand
Desai:**

Thank you, Dr Patel.

"Dear Shareholders,

It is my distinct pleasure to welcome you all. I take this opportunity to thank each one of you for reposing your faith in the Company.

As this is our first AGM after listing of equity shares of our Company, I take this opportunity to give you a brief history of the Company's journey thus far.

The Company was established in 1984 as a manufacturer of conventional products. From the beginning itself, we endeavoured to manufacture products developed in our R&D facility and to focus on developing import substitution products for taking advantage of high import duties. Subsequently, when the import duties were rationalised in the country during the liberalisation in 1992, the Company did forward integration based on the existing products at that time, which were further developed in our R&D facility. In 1998 with the huge growth of the global economies, especially the southeast and European economies, we also capitalised this growth and tapped the market by developing new products for the MNC's, and could achieve almost 100% growth in the turnover every year which continued till 2005. Further by 2006, the Company began supplying an anti-bacterial product to a European customer for which the customer issued us a bankable long-term supply contract. The Company continues as a primary supplier of the product to this customer even today.

In 2010, we started supplying agrochemical intermediates to the global major Syngenta. To match growing demand and leverage opportunities in the agrochemical industry, in 2014 we commissioned Jhagadia Unit 4, located at Jhagadia GIDC in Bharuch District of Gujarat in which the products chosen to be manufactured were the backward integration products so as to reduce our dependency on imports and to be a resilient manufacturer. Soon thereafter, Sumitomo Chemicals, a Japanese company was added to our customer portfolio for the supply of life science related speciality chemicals.

Over the past 3-4 years, we have made a significant capital expenditure of INR 8,000 million for setting up Jhagadia Unit 5 at Jhagadia GIDC and Sachin Unit 6 at Sachin GIDC. This expansion effectively doubled our manufacturing capacity and capabilities with the introduction of new chemistries like continuous flow chemistry on the commercial scale as well as the processes like Fluorination, Hydrogenation on a large scale.

We foresee that this augmented capacity will power our growth engine for the coming few years, from our humble beginnings in 1984 to this day and making us one of the leading companies engaged in the custom synthesis and manufacturing of life science related and other speciality chemicals. We are serving a diverse base of Indian and global customers. It has been a journey to recount.

The Indian Chemical industry is the sixth largest and one of the fastest growing industry globally, in which speciality chemicals are contributing around 50 % of the exports. Few factors that make India an attractive destination for the production of chemicals are:

- a) availability of young educated workforce in comparison to other developed and developing countries.*
- b) 100% FDI allowed.*

India contributes around 5% of the global chemical export and India contributes around 2.5% of the global chemical sales, and this also shows the potential to increase India's wallet share in this existing business.

Indian CRAMS industry is expected to grow at the rate of 12% in the next 5 years, to be driven by strong demand, China plus one strategy and products worth USD 4.2BN going off-patent by 2023.

Indian Speciality chemicals contribute around 1-2% of the global exports in chemicals. This sector is poised to grow on the back of lower operating costs, competitive infrastructure and business friendly policies- especially "Make in India" and the Aatma Nirbhar Bharat initiative of the government of India.

Talking about Indian Agrochemical space- India has one of the lowest per capita consumptions of crop protection chemicals per hectare, even though crop protection is one of the major concerns of this sector, which indicates that there is a huge scope for the growth of this kind of agrochemicals.

In the pharma space also we see huge potential in this sector, especially with the requirement of specialty chemicals nearer to the end product for which we have been dependent on imports till now. With our expertise in process reaction optimisations and innovation in process engineering, we shall be focusing on this sector also.

Though the macroeconomic environment shows a rebound in most countries across the world in 2021, IMF had cut India's GDP growth forecast to 9.5 % from earlier projected 12.5% as the onset of severe second covid-19 wave cut into the recovery momentum. For FY 23 IMF expects economic growth to be 8.5 % which is more than the previous forecast of 6.9%.

Through robust technological capabilities and a strong relationship with our existing clients, we have made a formidable position for our Company in the life science related speciality chemicals industry.

Currently, for many of our products, we are a preferred supplier with a zero-attrition rate of customers. This in itself is a unique feat in the chemical industry. We are one of the very few companies with a track record of commercially manufacturing products through continuous process technology instead of the conventional batch method. This gives us many operational advantages over our peers.

It gives me immense pride to inform you that we are currently in the initial stages of developing technology and processes for photo-chemistry, with continuous processes system based on flow chemistry. The photo-chemistry technology is a critical tool in researching new active compounds for speciality chemicals and the pharmaceutical industry. It offers high automation potential for automation, reduced lead time for multistep synthesis and

provides increased accessibility to a portfolio of novel families of compounds. Also, there are very few manufacturers in India who are utilising this chemistry. We look forward to focus on this chemistry.

In March 2021, our Company has successfully completed its Initial Public Offer (IPO) and raised ₹7600 million. Out of the total proceeds of IPO ₹5636.98 million raised for debt repayment, the full amount has been utilized for repayment of Term Loans and Working Capital Loans, including interest and prepayment charges if any, until September 2021.

In April 2021, we bagged an order worth ₹11,000 million from one of the top 10 global life science companies for three different molecules to be supplied over the next 5 years. In May 2021, we bagged orders worth ₹5,400 million for two new molecules from two different multinational companies, one of whom was an existing client. We are also working on signing new agreements with some of our global customers. This year Adama has also come on board as a customer.

In fiscal 21, we commercialized about 9 new products, which contributed significantly to the growth of the business. During this period, the total income grew by 55% to ₹8,373 million compared to ₹5,398 million in fiscal 20. This growth was driven by capacity utilization at our newly commercialized Units 5 and 6, whose capacity utilization was 52% and 59%, respectively. 80% growth in fiscal 21 came from the recently commercialized units & products. Overall, during this period, the life science segment contributed 92% to the sales while 8% was from the other speciality chemicals.

As we all know, China plus strategy continues to re-align the global chemical sector with tailwind coming towards India, and our efforts will be focused on providing specialized niche molecules to our customers. Our strong execution and track record, coupled with macro-economic tailwinds, will help us being a preferred partner and increase our wallet share with present customers and grow our markets while maintaining competitive pricing.

On a medium to long term basis, we plan to execute new projects and commercialize around 4-5 new molecules every year. We have about 70 new molecules in our R&D pipeline at various stages, consisting of both patented and non-patented products.

We are evaluating the acquisition opportunities in speciality Chemicals and other verticals for the Company's inorganic growth; however, we are meticulously evaluating these opportunities, which would add synergies like capacity and capability with respect to forward or backward integration. We believe that such an acquisition will strengthen our competitive position.

We are also in the process of augmenting our infrastructure in R&D and Pilot plant with the addition of new members in the R&D team and process capacities.

Our Company's EBITDA rose by 53% in fiscal 21 from ₹1,453 million in fiscal 20 to ₹2196 million in fiscal 21. PAT for fiscal 21 stood at ₹699 million compared to ₹530 million in fiscal 20. Our fundraising enabled us to repay borrowings aggregating to ₹4,705 million.

With the total repayment of ₹5,600 million, there will be a significant saving of about ₹500 million in the interest cost in the current financial year. I am glad to inform you that, as on March 31, 2021, our net debt to equity ratio has come down to 0.06 from 1.33 in fiscal 20 - a massive deleveraging of our Balance Sheet.

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I am delighted to inform you that our Company has secured itself for the times to come with a firm grounding in technological advancements and a robust balance sheet. With your support, I am confident that we will grow from strength to strength and create the maximum value for our stakeholders.

For fiscal 21, your Board of Directors has recommended a dividend of ₹0.50/- @ 5% per Equity Share of ₹10/- each fully-paid up, which is subject to the approval of members in this 18th AGM.

Over the years, the Company has contributed to the social causes benefitting the underprivileged in the regions of Gujarat. These programs aim to improve the quality of life of the beneficiaries by enhancing their health and providing them with the necessary skills to undertake livelihood opportunities.

In fiscal 21, we have undertaken various activities ranging from the field of education, healthcare, nature conservation to infrastructure development for these projects. With the undeterred commitment towards our societal duties, we are on our way to create inclusive and sustainable growth.

We have upgraded the physiotherapy department of Dinbandhu Charitable Hospital Trust by refurbishing it and providing the new & latest technology equipment for treatment. The benefit extended to both the in-house and OPD patients, which earlier for the complex treatment were recommended to the other hospitals and clinics, which escalated the cost of treatment for the patients. More than 2800 patients were benefitted in fiscal 21 from this project.

We have undertaken an animal rescue, rehabilitation & welfare project, where our Implementing Agency rescued nearly 18,000 animals, birds and reptiles during the year 2020-21. More than 750 street animals were fed during the lockdown every day for 3 months in different parts of Surat city.

Through our project, 'One Teacher School,' i.e. 'Ekal Vidyalaya', implemented by the Implementing Agency Friends of Tribals Society, in-formal primary education to the children between 6 to 14 years of age was provided in the rural tribal regions of Gujarat.

I thank every one of our stakeholders for supporting us and becoming part of the Anupam family, joining us in our journey for excellence. We hope to deliver you the best in terms of growth and value your contribution to the Company and your immeasurable support."

Thank you, everyone.

I request Dr Patel, our Chairman, to continue the proceedings of the AGM.

Dr Kiran Patel Thank you, Anand.
(Chairman):

The Company's accounts for the year ended 31st March 2021, along with the notice of AGM, board of directors' report, report on corporate governance, business responsibility and management discussion & analysis for FY 2020-21, were circulated to the members. With your permission, I take them as read. Relevant documents referred in the notice of the AGM, i.e. register of directors & KMP and their shareholding, register of contracts or arrangements as per the Companies Act,

2013, ESOP Schemes, certificate of secretarial auditor on ESOP Scheme, Memorandum and Articles of Association, are available for inspection by the members on website of the Company and NSDL during the AGM proceedings.

As there are no qualifications, observations or comments on the consolidated and standalone financial statements for the financial year 2020-21 in the auditors' report thereon, which may have an adverse effect on the functioning of the Company, it is not required to be read as per section 145 of the Companies Act, 2013.

The notice for convening this 18th AGM contains 7 business items which are enlisted as:

Ordinary Business:

1. To receive, consider and adopt the audited standalone financial statements for the financial year ended March 31, 2021, and the audited consolidated financial statements for the financial year ended March 31, 2021, the Auditors' Report thereon and the Board of Directors' Report of the Company for financial year 2020-21.
2. To declare a dividend on equity shares for the financial year ended March 31, 2021.
3. To appoint Mr Milan Thakkar (DIN-02470961), who retires by rotation as a Director and being eligible, offers himself for re-appointment.

Special Business:

4. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2022.
5. To ratify Article 159 of Articles of Association of the Company.
6. To consider and approve the modification of 'Anupam - Employees Stock Option Plan 2020' (ESOP - 2020).
7. To ratify the 'Anupam - Employees Stock Option Plan 2020' (ESOP - 2020).

The remote e-voting facility on the resolutions to be passed in this AGM was provided to all the members as per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (each as amended) and circulars issued by the Ministry of Corporate Affairs and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued by the SEBI. The remote e-voting were kept open from Monday, 27th September 2021 (9:00 a.m. IST) to Wednesday, 29th September 2021 (5:00 p.m. IST). The Company has taken NSDL services to provide remote e-voting and e-voting facility at the AGM. As the AGM is being held virtually, physical voting at the AGM is not available.

However, the Company is providing the e-voting facility during the AGM. Members who are present in the AGM through VC or OAVM facility and have not cast their votes on the resolutions set forth in the notice of AGM through remote e-voting and are otherwise not barred from voting, are eligible to vote through the e-voting system during the AGM.

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The icon for e-voting is available at the top of the screen under the e-voting tab, which will re-direct the members to the e-voting platform. The e-voting facility will close after 15 minutes from the conclusion of this AGM.

There are no speaker shareholders registered; thus, we conclude the business of the meeting.

Mr Mohan Baid, Practicing Company Secretary (Membership No. A3598 COP: 3873), is appointed as Scrutinizer by the Company's Board of Directors. He will scrutinize the remote e-voting and e-voting process of the AGM. He will submit a consolidated report of the total votes cast in favour or against each of the resolutions of item no. 1 to 7 of the notice to the Chairman or a person authorised by the Chairman.

The results of remote e-voting will be declared on Friday, October 1, 2021, after receipt of the scrutinizer's report. Results shall be placed on the Company's websites and will be intimated to BSE Limited and National Stock Exchange of India Limited.

Let me again thank you ladies and gentlemen, for being with us this evening. I wish the shareholders all the very best, stay in good health and stay safe.

Since no other agenda item is to be discussed, Now I declare the meeting as concluded.

As informed earlier, the e-voting facility will close in 15 minutes from now.

[Note: This transcript has been edited for readability and does not purport to be a literal record of the AGM proceedings.]