

PRIMA INDUSTRIES LIMITED
Registered Office: Door No. V/679-C, Industrial Development Area,
Muppathadam P.O., Edayar, Cochin-683 110

Transcript of 27th Annual General Meeting held on Monday, 27th September, 2021

Company Secretary – Ms. GREESHMA BABY:

Good afternoon Ladies and Gentlemen. I welcome you all to the 27th Annual General Meeting of our Company. My name is Greeshma Baby, Company Secretary & Compliance officer of Prima Industries Limited, joining the Meeting from the Registered Office of the Company at Cochin, Kerala.

As you are aware that in view of the continuing COVID-19 Pandemic and pursuant to the circulars issued by the Ministry of Corporate Affairs, Government of India and Securities and Exchange Board of India this AGM is held through Video Conferencing and Other Audio Visual Means (VC/OAVM) facility provided by NSDL without the physical presence of the Members at the venue. The venue of the AGM shall be deemed to be the Registered office of the Company at Door No. V/679-C, Industrial Development Area, Muppathadam P.O., Edayar, Cochin-683 110. The Company has taken all feasible steps to ensure that the shareholders are provided an opportunity to participate in the Annual General Meeting and to cast votes therewith.

I would like to take you through certain points regarding the participation at this meeting.

- ❖ The facility of joining the AGM through Video Conferencing is made available to members on first come first serve basis.
- ❖ All members who have joined this meeting are by default placed on mute mode by the host to avoid any disturbance arising from the background noise and to ensure the smooth functioning of the meeting.
- ❖ Once the question answer section starts, the Chairman will announce the name of the shareholders who have registered as the speaker shareholder one by one.
- ❖ The speaker shareholder will thereafter be un-muted by the host. To start speaking the shareholder is requested to click video on the button, if the shareholder is not able to join through video for any reason shareholder can speak through audio mode.
- ❖ While speaking, we request the speaker, to use ear phones so that he can be audible, minimize noise from the background, ensure the WIFI is not connected to any other device, no other background applications are running and there is a proper lighting to have a proper video and audio experience.
- ❖ If there is a connectivity problem at the speaker shareholders end we would ask the next speaker to join.
- ❖ We would like to request the shareholders to limit their speech to 3 minutes.
- ❖ During the AGM if a member faces any technical issues he may contact the helpline number mentioned in the AGM notice.
- ❖ Please note that the conference is being recorded and the transcript of the same will be available on our website.

We have to inform you that NSDL website has some login issues and due to this we are conducting the Meeting via Zoom platform facility as provided by NSDL. The quorum for the Meeting is recording in the Zoom platform. Members may please note that pursuant to the provisions of the Article of Association of the Company, Mr. S.K Gupta, Chairperson of the Board shall preside as the Chairperson at every Annual General Meeting of the Company. Now I request our Chairman of Board to kindly chair the proceedings of the meeting. Thank you and over to you Sir.

Chairman - Mr. S.K.GUPTA

Thank you Ms. Greeshma. I am happy to Chair this Meeting today.

Good Afternoon Ladies and Gentlemen. I am, S.K. Gupta, Chairman of the Company attending the Meeting from Cochin, Kerala, extend a warm welcome to all of you at this 27th Annual General Meeting of the Company through VC / OAVM. May I straight away proceed with the Meeting? In order to complete the meeting proceedings with in the scheduled time, with your permission I request Mrs. Swati Gupta, Director of our Company to go through the meeting procedures on my behalf. Over to Mrs. Swati Gupta.

Director - Mrs. SWATI GUPTA

Thank You Chairman Sir. Good After noon all. I thank all of you for joining us at this AGM. And it's my pleasure and privilege to address you on behalf of Chairman and myself. Hi Participants, I am Swati Gupta joining this meeting from Cochin, Kerala. I am a Director on the Board since 2019 and the Chairman of the Stake Holders Relationship Committee. May I now request Ms. Greeshma , Company Secretary to confirm whether the requisite quorum is available?

Company Secretary - Ms. GREESHMA BABY

Yes Madam, we have Just been able to complete the requisite quorum at 2.40 PM.(IST) and we have sufficient quorum to proceed the Meeting. Over to Mrs. Swati Gupta.

Director - Mrs. SWATI GUPTA

Thank you Ms. Greeshma. The quorum for the meeting being checked and find that the required quorum is present, and therefore record that the meeting is in order. The notice for this Annual General Meeting along with the Annual Report of the Company for the FY 2020-21 has been circulated to all shareholders who have registered their e-mail IDs with the Company or with the RTA. It has also been up loaded in the Company's Web site and forwarded a copy to BSE Ltd and made a newspaper advertisement of the same with Link reference to the contents of the same. Hence, with the permission of the members virtually

present I record that the Notice convening the meeting as read. I request my colleagues on the Board who are present in this meeting to kindly introduce themselves and confirm their participation in the meeting from their respective venues.

Mr. Ladhu Singh: Hi Everyone, My Name is Ladhu Singh joining the Meeting from Palakkad, Kerala. I am Whole Time Director on the Board since 2016.

Mrs. Vanshika Rathi: Hello, I am Vanshika Rathi, Independent Director on the Board and the Chairperson of the Audit Committee joining the Meeting from Delhi.

Ms. Vedika Agarwala: Hello Everybody, I am Vedika Agarwala, Independent Director on the Board and the Chairperson of the Nomination & Remuneration Committee joining the Meeting from Kolkata.

Mrs. Sruti Jindal : Hi, I am Sruti Jindal, Independent Director on the Board joining the Meeting from Delhi.

Mr. Kushagra Gupta: Good Afternoon Everybody, I am Kushagra Gupta, CFO, joining this meeting from Cochin, Kerala. Thank you. Over to Mrs. Swati Ma'am.

Director – Mrs. SWATI GUPTA

Thank You Kushagra. Now, I acknowledge the attendance of the Representatives of Statutory Auditors, M/s J. Krishnan & Associates, Chartered Accounts, Ernakulam, Kerala, Secretarial Auditors, M/s BVR Associates, Practicing Company Secretaries LLP, Ernakulam, Share Transfer Agents, M/s Venture Capital and Corporate Investments Pvt Ltd, Hyderabad and Scrutinizer for e-voting Mr. Bibin Sajan, Chartered Accountant, Partner of M/s Grand mark & Associates, Ernakulam who have joined this meeting. I welcome them also to this meeting. I now request Ms. Greeshma, Company Secretary to take us through regulatory matters and other general instructions to voting process. Over to Company Secretary

Company Secretary – Ms. GREESHMA BABY

Thank you Madam. The shareholders may please take note of the following. The shareholders may please take note of the following;

- The E-voting facility to vote at the AGM is provided to all those shareholders who are attending the AGM through Video Conference and who have not participated in the Remote E-Voting, in proportion to their shareholding for all subjects as contained in items 1 to 8 of the Notice of the AGM. The members present can cast their Vote at the end of the Meeting. The icon for e-voting will be available on top of the screen under the e-voting tab, which would re-direct the members to the e-voting platform of the NSDL. The e-voting facility would close after 30 minutes from conclusion of the AGM.

- Since this AGM is being held through Video Conference the requirement of appointing proxy is not applicable. However Corporate Share Holders can appoint authorized Representatives under section 113 of the Companies Act, 2013 to attend AGMs on its behalf and as such we have received the following authorizations; I would like to acknowledge the attendance of :
 - i. Mr. V R Sdasivan Pillai as the representative of Prima Agro Ltd,
 - ii. Mrs. Alphonsa Jose as the representative of Ayyappa Roller Flour Mills Ltd,
 - iii. Mr. M.K.Krishnakumar as the representative of Ayyappa Real Estate Private Ltd,
 - iv. Mr. P.A. Ziyad as the representative of Prima Crdeits Ltd,
 - v. Mr. P. R. Haridas as the representative of Prima Alloys Private Ltd.
- The Auditors' Reports on the standalone and consolidated financial statements and the Secretarial Audit Report of the Company for the financial year ended March 31, 2021 do not contain any qualification, reservation, adverse remark or disclaimer. Accordingly, the Reports are not required to be read out, as provided in the Companies Act, 2013.
- Members may please note that the Register of Directors and Key Managerial Personnel and their share holding and Register of Contracts or Arrangements in which the Directors are interested are available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an e-mail to primagroupcompanies@gmail.com.
- The results of the Voting including remote E-Voting along with Scrutinizer's report would be placed on the website of the Company and also on the website of the NSDL and shall also be submitted to the Stock Exchange.
- Also note that the shareholders who have registered themselves as speaker shareholders would be allowed to speak and such registered speaker shareholders may participate in the discussion on the items of business once the discussion was invited by the Chairman. The queries shall be answered after the allowed speaker shareholders had raised their questions. Thank you. Over to you Madam.

Director – Mrs. SWATI GUPTA

Dear members, may I now request Mr. Kushagra Gupta , CFO to give a highlight of the key performance indicators of our Company and its future Plan. Over to Mr. Kushagra Gupta

CFO – Mr. KUSHAGRA GUPTA

Thank you Madam. Dear Participants, Prima Industries is engaged into solvent extraction, edible oil refining and cattle feed manufacturing. Our Company is also doing trading activities as well and it contributes to 5-8% of the total revenues. For the refining of edible oil, it procures crude oil, processes it, and it is then sold in bulk.

Prima Industries Limited has three major production divisions: -

- Solvent extraction,
- Edible oil refinery Division and
- Animal feed division.

Cattle feed manufacturing division contributed 50%; solvent extraction 42% whereas refining contributed 8% of the total revenues in FY 2021. We are pleased to update you on our progress over the last year ie, FY 2020-21.

Financial Performance Commentary. (Figures in lakhs except EPS)

Key Financial Elements	FY 2020	FY 2021
Total Revenue	1705.54	1768.04
Net Profit after Tax	269.12	376.37
Tangible Net worth	1506.90	1958.44
Capital Employed	1506.90	2005.24
EPS (before Preference Dividend provision)	2.40	3.49

Our Company is having contract manufacturing arrangements with KSE Limited for cattle feed and solvent extraction. Thank you Madam. Over to you.

Director - Mrs. SWATI GUPTA

Thank You Kushagra. Members may kindly note that there are 8 (Eight) Agenda Items for their approval. It is time totake these items one by one.

The following are the items of Ordinary Business to be passed as ORDINARY RESOLUTIONS;

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements for the financial year ended 31st March, 2021 together with the Report of the Auditors thereon.
3. To appoint a Director in place of Mr. P.L Singh (DIN_02320113) who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment M/s. J.Krishnan & Associates, Chartered Accountant, (Firm Registration No. 0001523S) as Statutory Auditors foe the FY 2021-22.

SPECIAL BUSINESS:

The following are the items of Special Business to be passed as SPECIAL RESOLUTIONS for explanatory Statements are given in the AGM Notice. Shareholders may please refer the same.

5. Revision in the terms of payment of remuneration to Mr. P.L.Singh, Whole Time Director (DIN: 02320113).
6. Revision in the remuneration of Mr. Kushagra Gupta, (PAN . BQXPG8333A), CFO of the Company.
7. To Ratify & approve the material related party transactions with Associate Companies done during the FY 2020-21 with in the limit approved by the shareholders during the previous Annual General Meeting by a Special Resolution.
8. To approve by a special Resolution, the Related Party Transaction for FY-2021-22 with in sanctioned limit as specified in the resolution.

Members may please be noted that as per the time line mentioned in the AGM Notice, remote E-voting commenced at 9.00 a.m. on Friday, 24th September, 2021 and ended at 5.00 p.m. on Sunday, 26th September, 2021, when remote e-voting blocked by NSDL. The members present who have not participated in the Remote E-Voting can cast their Vote on the above items at the end of the Meeting. The icon for e-voting will be available on top of the screen under the e-voting tab, which would re-direct the members to the e-voting platform of the NSDL. The e-voting facility would close after 30 minutes from conclusion of the AGM. Our Scrutinizer for e-voting Mr. Bibin Sajan, had informed that sufficient number of Shareholders had participated in the Remote e- Voting, when remote e-voting was blocked by NSDL. I now request Mr. Kushagra Gupta (CFO) to proceed with Q& A session. Over to Mr. Kushagra Gupta (CFO)

CFO – Mr. KUSHAGRA GUPTA

Only those members who have registered themselves as speaker by 10.30 AM on Monday , 20th September,2021 will be able to speak in the meeting. Once you have asked your questions, you can mute and continue to watch the proceedings. Please limit your time to 3 minutes. Their quires will be answered after they raised their quires. Mr. Keshev Garg. Over to Mr. Keshev Garg if he is present.

Mr. KESHEV GARG (Speaker Shareholder) : Sir thank you for providing with this opportunity. Sir I just wanted to understand the business of the company from an investment point of view so that's why I am asking these questions. So firstly I want to understand that what is the business of our group company Prima Agro. Are these two companies in the same business. Are there any plans to merge the same. And Sir what is the tax rate which we would be paying from the current year onwards because last year we were not paying any tax. Sir how much is the maximum revenue that we can generate in each of our business divisions if we operate at full capacity utilizations. And also if you could provide some idea about this present financial year FY 2022 what kind of top line the company hopes to achieve and some broad idea of the margins that the company will be able to achieve. Also we have 11 crore worth of preference shares outstanding and around 10.6 crore of cumulative preference dividend that we need to pay and on the other hand we have investments of around 9 crore and some advance to related party of 3 crore. So why don't we square off these two and extinguish our preference share liability and also are

there any plans to the company to start paying in some kind of token dividend and so these were some of my questions and thank you very much and best of luck. Over to Mr. Kushagra Gupta (CFO)

CFO – Mr. KUSHAGRA GUPTA

Thank You or your questions Mr. Keshev Garg. We will get through as much as possible. Speaker Shareholder, Mr. Sanjay Kumar if he is present?

Host: Sir he is not present in the Meeting.

CFO – Mr. KUSHAGRA GUPTA :

Okay. So I will go ahead and answer as much as I can of Mr. Keshav's questions. So firstly I will give you the present situation and status of our Company. Presently we are involved in solvent extraction, edible oil refining and cattle feed manufacturing like I had mentioned earlier. And I mentioned to you the total break up of these and in terms of increasing our capacity we are currently using for cattle feed we are using 85 percent of our capacity so we have another scope of 15-20 percent to increase our capacity even further. For solvent extraction we are only operating at about 75 percent so we have no scope there as well to increase our revenue. And in refining currently we are not running the refinery as much as we want to because we don't have the boiler capacity to do so and so we are only running it at idle times of our boiler which could may be there about 15 percent of utilization of the entire plant. And in terms of the future growth and plans, the company is contemplating on entering the poultry feed market either through its own brand or through contract manufacturing / job work basis. We have approximately 7 to 8 acres of land idle which we want to use in the next one or two years in the best possible advantage that we can get. We also looking into establishing windmills and solar plants because of the geographical advantages of our location. And currently the company is also planning to invest and construct an office building and laboratory and the expected cost is supposed to be around 200 lakhs. Now regarding the general business environment relating to Company since we are doing contract manufacturing we have no direct competition. But since there are many players in the field, the majority will be the Kerala Feeds Limited, Suguna Feeds Private Limited, Krishi Cattle Feeds Private Limited and some other smaller players in the market. And regarding the Dividend and Bonus policy as regards to it our Company is not in a position to declare any dividend till FY 2025-26. Its present Accumulated Loss left un-absorbed to the extent of Rs. 1907.90 lakhs Preference shares worth Rs.1120 Lakhs were to be redeemed in FY 2025-26 along with its accumulated Dividend @10% for 13 Years which adds upto Rs.1456 Lakhs. And your final question of why the company hasn't been able to pay dividend and how these accumulated loss have incurred, so Prima Industries Ltd was floated with the fund generated by way of Promoters equity, KSIDC and through Public issue in 1994. The company started its commercial operations on 31.12.1996 though it had to face severe hindrances like project cost overrun, change in Govt. policy in import of raw material, constant break down etc and due to the over running of the project cost , the promoters had to pump in their money to complete the project. Even this being insufficient a considerable amount of working capital had to be diverted to capital expenditure resulting into further borrowings. During this time earlier borrowings were due for

settlement, which was re-structured with the consent of KSIDC. The financial results of the Company were not satisfactory from the very beginning as expected and the company began to incur losses year after year. The Company's borrowings were become over due and the financial institutions initiated actions under SURFASI Act. The Year 2002-03 was very bad due to various internal and external circumstances and the performance of the Company dipped drastically leading to huge losses and acute financial and liquidity problems. We imported Coconut Oil Cake from Indonesia for our Solvent extraction Plant and unluckily the Plant was undergoing serious breakdowns for a period of Six Months and then the imported oil cake got deteriorated in its quality and Company incurred a loss of about Rs.500 Lakhs. The accumulated Losses and Financial Liabilities mounted up to Rs 30 Crores. The Company therefore approached the Banks and Financial Institutions for certain relief and concessions through OTS and was able to get OTS approval from IDBI, SBI and KSIDC. Then the Company issued Preference Shares and raised money to settle the dues of financial institutions as per the OTS terms. Now our Company is operating on Job work basis and started earning positive results. The Preference shares are due for redemption in 2026. Preference dividend at 10% p.a.is payable for the whole period of 13 years. Any proposal for declaring dividend can be considered only after FY 2025-26 because by that year only full accumulated Loss can be absorbed. Also preference shares need to be redeemed with accumulated dividend. Shareholders may have to wait till that time. And regarding the question of merging, Prima Agro Ltd. and Prima Industries Ltd. both are in same operations but there are no plans of merging these two companies. Yeah that is all I think we completed all the questions approximately. Over to you Madam and thank you.

Director – Mrs. SWATI GUPTA

Thank you Mr. Kushagra Gupta. I hope Mr. Garg you are satisfied with these answers. Since all the meeting proceedings are over I request Chairman Sir to assume the Chair and declare that the Meeting is concluded. Over to Chairman.

Chairman – Mr. S.K. GUPTA

Now I declare that the business of the 27th AGM of the Company concluded. I thank you all for your participation in this AGM and for its smooth conduct.

Director – Mrs. SWATI GUPTA

Thank you Chairman Sir and thank you all. The Meeting is concluded.