

SICAGEN INDIA LIMITED

16TH ANNUAL GENERAL MEETING TRANSCRIPT

(Around 01:50 PM)	Moderator informed about the presence of quorum
By 2:00 PM	After confirmation of the quorum - Moderator of CDSL signaled that we can go live. /Recording of the proceedings started/
Chairman	<p>Ladies and Gentlemen,</p> <p>It is 2:04 PM (IST)</p> <p>I am informed that necessary quorum is present and I call the Meeting to order.</p> <p>I am happy to be with you for the 16th Annual General Meeting of your Company being held through Video Conferencing, facilitated by Central Depository Services (India) Limited, CDSL. A live streaming of the meeting is also available through their website.</p> <p>It has been confirmed that this meeting is held in due compliance with the matters specified in the circulars issued by the Ministry of Corporate Affairs and SEBI.</p> <p>The information and documents to be made available for inspection during the meeting are available in digital form through the e-voting platform of CDSL.</p>
Chairman	<p>I welcome my colleagues who are participating in the meeting through Video Conferencing:</p> <ol style="list-style-type: none">1. Mr. B. Narendran - Independent Director2. Chair-person of Nomination & Remuneration committee - Mr. S Radhakrishnan - Independent Director3. Chair-person of Audit Committee -Mrs. Sashikala Srikanth - Independent Director4. Mr. M Rajamani - Independent Director5. Chair-person of Stakeholders Relationship Committee - Mrs. Rita Chandrasekar - Independent Director

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	<p>6. Mr. S R Ramakrishnan - Non Executive Non Independent Director</p> <p>7. Mr. R. Chandrasekar - Whole Time Director</p> <p>8. Mr. M O Ayyappan - Chief Financial Officer</p> <p>9. Mr. R Srikrishna - Company Secretary</p> <p>As specified in MCA's Circular the Statutory Auditor is also participating through VC. Accordingly, we have Mr. Rajeshwaran & Mrs. Madhura Ganesh, Statutory auditors</p> <p>Mr. Kannan, Secretarial Auditor and E-voting Scrutinizer, is also participating through Video Conferencing.</p>
Chairman	<p><i>Ladies and Gentlemen,</i></p> <p>It gives me immense pleasure to welcome you all, on behalf of the Board of Directors, to the 16th Annual General Meeting of your Company.</p> <p>I hope you and your family are healthy and safe. Due to the pandemic, this is our first virtual AGM held through video conferencing and it is good to connect with you all digitally.</p> <p>As per the general circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), the Annual Report of the Company for the year 2019-20 has been sent only through electronic mode to those members whose email addresses are registered with the Company/Depository Participant(s) and with your permission I shall take them as read.</p> <p>Economic Scenario</p> <p>Financial year 2019-20 presented a challenging time for the Indian economy. I am glad to say that we have together faced these trying times with determination and resolve, overcoming many hurdles and barriers. Global macroeconomic issues such as demand contraction, tepid growth and the COVID-19 pandemic affected the Indian economy. The pandemic is an unprecedented global health crisis and its impact is likely to dominate markets world</p>

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over in the near term.

India currently faces notable short-term challenges including the outbreak of COVID-19 and the preceding slowdown of the informal economy. India saw a steep decline in its growth rate in the July-September quarter of 2019, when Gross Domestic Product (GDP) was at its lowest in 7 years at 4.5%. Several sectors such as real estate, aviation, automobile and construction sectors suffered a constant decline in demand. The GDP growth rate was estimated to be 5% in 2019-20 as compared to 6.8% in 2018-19 and is expected to be in the range of 6% to 6.5% in 2020-21.

In the current situation, I must congratulate the Central Government & the State Governments for rolling out several measures and initiatives to revive the Indian economy and improve our country's growth rate. The government has initiated several measures like the 'Make in India' and 'Digital India' as part of its infrastructure development initiatives.

Company's Performance

During the financial year 2019-20, your Company has posted a total revenue of Rs. 441.72 crore and a profit before tax of Rs. 5.11 crore as compared to total revenue of Rs. 547.74 crore and profit before tax of Rs.5.04 crore in 2018-19.

Due to sluggish market conditions, economic slowdown and the COVID-19 outbreak, the overall performance of the Company was affected during the year. But we are hopeful that we will bounce back strongly in the years to come.

During the year, the Company's Building Materials Division clocked a total turnover of Rs.356.37 crore as compared to Rs.445.55 crore in the previous year.

As far as our manufacturing operations are concerned, the performance of Power & Control Systems, Speciality Chemicals and Industrial Packaging was also affected as compared to the previous year.

The Power and Control System division's revenue during the year under review was Rs.28.68 crore and net profit was

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Rs.3.97 crore as compared to the total revenue of Rs.29.73 crore and net profit of Rs.4.77 crore in the previous year.

The turnover of the Speciality Chemicals division during the year was Rs.11.58 crore and net profit was Rs.1.96 crore as compared to the turnover of Rs.11.58 crore and net profit of Rs.2.39 crore in the previous year.

The industrial packaging division has posted total revenue of Rs.37.10 crore this year as compared to Rs.41.24 crore in the previous year. The net profit of this division for the current year was Rs.1.76 crore as compared to Rs.2.12 crore for the previous year.

Dividend

The Board of Directors of your Company has recommended a dividend of 5% for the financial year 2019-20.

Future Outlook

The de-growth in the economy is bottoming out and is showing signs of positive recovery after the initial COVID-19 impact. It is evident that infrastructure growth is necessary to achieve sustainable economic growth. Increasing demand and supply of building materials for infrastructure development with favourable regulatory reforms, FDI policy and private investment are expected in the Indian infrastructure and manufacturing sector.

Performance of the manufacturing sector is often linked to that of the Indian economy. Although economic slowdown in the manufacturing segment had led to a fall in demand in 2019-20, with rapid urbanization and increased infrastructure spends, the manufacturing sector consisting mainly of power, cement, steel, paper, petrochemical, refinery, fertilizer and sugar industries is expected to grow.

Acknowledgement

I take this opportunity to thank our shareholders for their continued support. Warm thanks to my colleagues on the Board for their valuable support, advice and guidance towards the company's growth.

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	<p>I would also like to thank all the employees of Sicagen for their dedication and contribution towards the company's performance.</p> <p>I wish to place on record my sincere gratitude to our bankers, customers, suppliers, State and Central governments and other regulatory authorities.</p> <p>I look forward to your continued support in the coming years.</p> <p>Thank you,</p>
Chairman	<p>Now we may take up the items as per the Agenda.</p> <p>The Notice of the Meeting has already been circulated and with your consent, we will take this as read.</p> <p>The resolutions given in the notice have already been put to vote through remote e-voting. So, there will be no proposing or seconding of the resolutions.</p> <p>There are no adverse observations or remarks in the Report of the Auditors. So, there is no need to read the Report.</p> <p>Before we proceed further, I would like to bring to your attention certain information regarding the proceedings.</p> <p>As you would be aware, facility for remote e-voting on the resolutions was made available between 12th and 16th September 2020. Arrangements have also been made for e-voting during the meeting.</p> <p>The voting is open now and will close five minutes after conclusion of the meeting.</p> <p>Members who have not exercised their votes through remote e-voting and attending the meeting now may cast their votes through e-voting link available on your screen.</p> <p>Now we will go ahead with the Q&A Session:</p>

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	<p>Those shareholders who have registered to speak at the meeting will be invited one by one. If so, desired they can enable their video while they speak.</p> <p>Kindly note that the maximum time available for each speaker would be about 3 minutes.</p> <p>So, I request members to be as brief as possible, not to repeat questions if they are similar to the one raised by any other person and speak only on items pertaining to the Agenda of the Meeting.</p> <p>I will collate all the questions and respond to the same at the end.</p> <p>Now I request the Moderator to invite the speakers one by one. I also request him to prompt the speakers if they stretch beyond the permitted time.</p>
Moderator	<p>Thank You Sir.</p> <p>First Registered Speaker Mr. Bharath raj.</p>
Mr. Bharath raj	<p>Good afternoon Mr. Chairman I am very happy to see my Chairman and Board of Directors very healthy. You are working very hard for our Company. I am thankful for my Company has given 5% dividend, in this pandemic also you are giving dividend, you are supporting the shareholders, motivating us. We have strong confidence in your leadership. We will expect more dividends in future coming years also sir. Once again thank you and I thank you Mr. Krishna for arranging a very good Video Conference and virtual meeting. Thank you Mr. Krishna. Entire Board of directors, be safe and be healthy, be happy sir.</p> <p>Thank you very much for giving this opportunity.</p>
Moderator	<p>Thank You.</p> <p>Next Speaker Mr. Abhishek</p>

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Mr. Abhishek	<p>Good morning.</p> <p>I am Abhishek, my DP ID IN301637 Client ID 41359155. First of all I congratulate the management for the Annual General meeting. You can see that First I would like to congratulate the Company in this challenging situation, our Company has much more responsibility in current market cap of profitability and dividend distribution and our respective segment. I appreciate the management for very good dividend this year, in this current situation management has declared a dividend. For me and my family are thankful to the RTA Cameo and Mr. Company Secretary and Mr. Shankaranarayanan and team for extending their support for resolving my long standing share transfer, shares transferred and received by me. I am thankful for the entire Sicagen team. Coming to annual report, I see that there is a 20% drop in the Revenue, what steps taken to improve and same and what is the outcome of the 1st and 2nd quarter I would like to know. In page no. 35, We can see sitting fees sl. No 2 and 7 tax has been deducted at 10%, and for other income tax has been deducted at 30% what is the reason for deducting tax at 30%. Sitting fees is taxable, our directors can either increase the remuneration or take commission if it is permissible and page 49 we have some disputes pending where like Income tax, CST etc., have taken any steps to resolve this disputes by taking the benefit of Atma nirbar bharath and Pradhan Mandhri yojana to settle the disputes amicably. Page no. 76, there is a provision for Doubtful debts for Rs. 1 Crore 76 Lakhs. What steps taken to recover the debts rather than writing of in upcoming year. Probability are undue advantage as the Boards are shut in the upcoming months. I would like to appreciate the management for reducing the Other expenses by 9 Crores this year. Nothing much to ask sir. I wish the Sicagen family and Board of Directors success and thank you for giving this opportunity.</p>
Moderator	<p>Thank you. Chairman sir, Q&A Session is over.</p>
Chairman	<p>Thank you.</p> <p>So let me answer some of the questions raised and If I need help I will ask Mr. Chandrasekar, Whole time director to add-in. I am very happy to note that the shareholder appreciates the company's intent to continue the dividend payment. And I am also very happy that they are satisfied to the shareholders coming from cameo and Company Secretarial division. Mr.</p>

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	<p>Abhishek asked about revenue improvement possibilities. As you well aware sicagen's business are coupled with what is happening in Indian market. Building Materials is very much depended on construction section then we have manufacturing of drum which is sensitive to consumer demand in market. So it is struggle in at this moment. I would want to promise any revenue improvements. As you rightly picked up It is important to cost tight as possible and to improve margins and that is what we look for in the coming years. So growth in terms of revenue, I am not sure about it as it is based in customer's market situations, construction industry picking up. So this time our company only can earn best. Sustaining current revenue, reducing costs and improving margins. So that we could continue to maintain our reward system to our stakeholders.</p> <p>I would let chandru answer the other questions. First is sitting fees and can you please explain doubtful debts question.</p>
R Chandrasekar, Whole Time Director	<p>Thank you sir.</p> <p>On the TDS question what our shareholder has asked, Director 1 is Non-resident, so 30% tax. Whereas the other directors are normal residents, tax at the normal rate was deducted.</p> <p>As far as changing the remuneration structure, everything is taxable. So we will not change anything as of now. As far as the question of doubtful debts is concerned, we have over Rs. 100 crores of receivables at any given point of time and as a prudent measure, given the volumes of transactions we do, as prudent measure, we consider a small portion on the recovery side of it as doubtful. These are not written off when immediately in books as and when debtor becomes negative or insolvent, these will be written off. As far as litigation at various forums are concerned, there are 3 issues at IT level, all are addressed at high level. All 3 will sorted out this year. Other 3 are very Indirect tax nominal issues. due to COVID19 appointment issues, we could not sort out now. Any way, we will take it up as priority issue to sort out in this financial year.</p>
Chairman	<p>Thank you chandru, As mentioned earlier, the venue voting window would remain open for another five minutes and those who want to cast their votes may do so.</p> <p>The votes polled will be consolidated and the results will be</p>

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announced in the company's website as stipulated in the relevant regulations.

Members may view the final results from the Website of the Company or the Stock Exchange on such release. As per the relevant rules, the resolutions shall be deemed to have been passed as on the date of the AGM.

I thank you once again for your presence and co-operation.

Now I declare the meeting as closed.