

SIMRAN FARMS LIMITED

Transcript of 33rd Annual General Meeting Dated 24th September, 2020

Chairman

A very Good Morning all our Esteemed Shareholders, my colleagues on the Board, and distinguished ladies and gentlemen. It is 11.00 A.M. as per Indian Standard Time and it's a time to start the meeting. Further, the requisite quoram is present and therefore I call this meeting to order. It gives me great pleasure to welcome you all to the 33rd Annual General Meeting of Simran Farms Limited. Now I wish to introduce my colleagues on the Board of the Company one by one.

- Mr. Kawaljeet Singh Bhatia, Whole-time Director
- Mr. Gurdeep Singh Bhatia, Non-Independent Director
- Mr. Surendra Singh, Independent Director
- Mrs. Jasmeet Kaur Bhatia, Independent Director & Chairperson of Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee of the Company

Further

- Mr. Mahesh Patidar, CFO
- CS Tanu Parmar, Company Secretary
- Mr. J.C. Baheti, Statutory Auditors,
- Mr. R.C Bagdi, Secretarial Auditor and
- Mr. L. N. Joshi, Scrutinizer; are also present at the Meeting.

Further, I would like to inform that leave of absence has been granted to Mr. Surjit Singh Kohli on request being made by him and that he has expressed his inability to attend the Meeting due to pre- decided busy schedule.

Before proceeding further, I request Company Secretary to explain the shareholders about Video Conferencing and Other Audio Visual Means, provisions of remote e-voting and e-voting at this AGM, Scrutinizer and Statutory Register.

CS Tanu Parmar, Company Secretary

A Very Good Morning to all our respected Directors, our esteemed Shareholders, CFO, Statutory Auditors, Secretarial Auditor, Scrutinizer and Special Invitees of the Company. I, CS Tanu Parmar welcome you all, on behalf of Simran Farms Limited in our 33rd Annual General Meeting which is being held today through video conferencing. It's my immense pleasure to extend a cheerful welcome to you all.

With the permission of the Chair, I would like to highlight certain points here. I would like to inform you that due to Covid 19 pandemic, this meeting is not a physical meeting and is held through Video Conferencing and Other Audio Visual Means in compliance with the circulars issued by the Government of India, the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Company has made all its endeavors to ensure that the Shareholders are provided an opportunity to participate in this AGM through these means. The Company has also arranged the facility of Video Conferencing and live webcast of the meeting for its esteemed shareholders. The joining to this meeting opened 15 minutes before the scheduled time of the commencement of the meeting, which is 11: 00 A.M. and it will remain open for another 15 minutes after the commencement of the meeting. Subsequent to the MCA circular of 8th April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporate is entitled to appoint authorized representatives to attend the AGM through VC, other audio/video means and participate and cast their votes through e-voting. Further, the Company also provided Remote E-voting facility to the Shareholders to cast their votes electronically in respect of all businesses mentioned in the Notice of the AGM dated August 21, 2020. For this purpose, the company has tied up with the e-voting system of Central Depository Services (India) Limited for facilitating voting through electronic means as the authorized agency. Remote E-voting facility was open for a period of three days from Monday, September 21, 2020 till Wednesday, September 23, 2020 We have also provided e-voting facility during the AGM to the Shareholders. Please note that Members attending the AGM and who have not cast their votes earlier by Remote E-voting will only be able to vote at the AGM through e-voting during the meeting. The e-voting facility is open now and it shall remain open for 15 minutes after the conclusion of the meeting. I request all our shareholders who are present at this meeting and who have not casted their votes earlier through Remote E-voting, to cast their votes now. As the

meeting is convened through VC today, resolutions have already been put to vote through remote e-voting and the requirement to propose and second is not applicable. Mr. L.N. Joshi, Practicing Company Secretary (PCS) has been appointed as the Scrutinizer of the Company for scrutinizing the Remote e-voting as well as e-voting during this meeting. Also, the Register of Directors & Key Managerial Personnel and their Shareholding and Register of contracts or arrangements in which directors are interested are available for inspection. This will remain accessible to the members electronically if they so desire. We have received requests from one member Mr. Abhishek J for registration as a speaker shareholder in the AGM today and we shall be allowing him to speak once the Chairman directs the same. With this, now I would request our Honorable Chairman for the meeting & Managing Director of the Company, Mr. Harender Singh Bhatia to address our esteemed shareholder.

Chairman

Ladies and Gentlemen, the Annual Report for the financial year ended March 31, 2020 along with the AGM Notice, Board's Report and the Audited Financial Statements of the Company have already been circulated to you electronically and with your permission, I shall take them as read. The Auditors Report on the Standalone & Consolidated Financial Statements and the Secretarial Audit Report of the Company do not contain any qualifications, reservations, adverse remarks or comments, which may have any adverse effect on the functioning of the Company. Therefore, the reports are not required to be read out at the meeting as provided in the Companies Act, 2013.

Dear Shareholders, now, with your permission, I would like to apprise you of your Company's performance during the year gone by and the prospects for the year ahead. I have pleasure in presenting the Company's performance for the financial year 2019-20. During the year ended March 31, 2020, the total income stood at Rs. 281.39 crores against Rs. 319.97 crores in the previous year. The revenue of the Company decreased by 12.06% as compared to previous year due to lower demand and lower realization from sale of broilers since December 2019 with a spike in Covid cases all over the world and the rumours circulated in social media linking poultry birds as possible vectors of the COVID-19 virus. The total expenditure during the year was Rs. 310.66 crores as compared to Rs. 313.85 crores in previous year. Further, the Company incurred a loss of Rs. 21.54 crores as compared to profit of Rs.

4.04 crores in last year. The Company incurred heavy net losses due to sharp decline in demand, realization & profitability in 2019-20 due to COVID-19 pandemic. During the year under review, total income on consolidated basis was Rs. 281.39 crores in comparison to Rs. 319.79 crores in previous year. Further, the Company's incurred a loss of Rs. 21.50 crores as against profit of Rs. 4.07 crores in previous year. The financial performance of the Company has to suffer sharp variation due to the stringent lockdown. The sharp decline in the poultry industry in Financial Year 2020 can be primarily attributed to the slowdown in the overall economy, impacting both, the rural and agri sector. However, during the quarter ended June 30, 2020, the Company achieved net profit of Rs. 6.52 crores despite of hardships and the coercing circumstances. Our performance represents signs of a maturing corporate which is exhibited through the ability to enhance value in challenging circumstances. As far as present scenario is concerned, this situation is absolutely unpredictable and also believed that the best of the analysis will not be able to comprehend how this situation is going to be enrolling in future. However, I strongly believe that the India and the world will achieve faster progress and greater prosperity post the Covid Crisis. Finally I would like to take this opportunity to thank our valued stakeholders, customers, bankers, lenders, suppliers and our employees for their consistent support and faith in the Company. My special thanks to the Board of Directors for their guidance, all of which has contributed to your Company's growth. Lastly, the only medicine found till now for COVID-19 is; Stay safe, Stay Healthy and Stay Positive. So do abide by these medicines. Wish you all a good health. Thank you, ladies and gentlemen.

I will now read the agenda Items one by one

Ordinary Businesses –

1. To receive, consider, approve and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon and
2. To appoint a Director in place of Mr. Kawaljeet Singh Bhatia having DIN-00401827, who retires by rotation, and being eligible, offers himself for reappointment.

The shareholders are now requested to cast their votes.

Now we have received request from one of the member, Mr. Abhishek J for registration as a speaker shareholder in the AGM today. I now invite Mr. Pranav Bhavsar who has registered himself as a speaker to express his views and ask questions and I request Mr. Kawaljeet Singh Bhatia, Whole time Director of the Company to address his queries.

Mr. Abhishek J (Speaker)

Thank You Sir. Yes, so first of all, my name is Abhishek J, and I am shareholder of the Company and my DP ID is IN301637 and client ID is 41359155. First of all, I congratulate the management on the eve of annual general meeting. 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 and becoming one of the strongest brand in our respective industry/segment. We are the long term shareholder in your company and need following clarifications and details: What's the REAL impact of Covid-19? In % terms how your chain has affected? Where you see the light in the end of the tunnel? What will be the growth triggers in first half and second half? Further, the Corona Virus and subsequent lockdowns have left virtually no industry untouched. After the Covid: How many employees we have sacked, hired and salary cut in % if any? What are the cost cutting initiatives done by the management? How much salary cut was taken by the management? What is the view of the management going forward> sustainability of the profit earning growth will remain the challenge in coming quarters? What are the management efforts to improve Working Capital to Sales ratio, ROCE, Net debt to EBITDA multiple, OPM, Debtor days and Interest coverage ratio? What are the management efforts to improve company image thru investor relation exercise like Concall, Quarterly presentations and meeting Global Investors? Sir, kindly provide the details of Other Current and Non-current Liabilities. Kindly help us out with the page number because reading balance sheet is quiet difficult job. What are the management efforts to reduce other expenses, Legal Professional charges & Audit fees? What are the credentials that the New & existing directors are bringing on the table to take the company to next phase of growth or to guide the new generation? What is the policy related to dividend in our company as most of the senior citizens are only depend on that?

I would also request for a factory visit for the management to be arranged as and when the pandemic ends so I hope to see you in the physical Annual General Meeting next year and sir please give us an appointment, if we drop out at our indoor, so that we can see our factory as we can have a look of the factory visit also and we can also meet the promoters in person and we can honour you sir. Nothing much to ask sir. We are expecting a dividend and expecting good results from your end. This is Abhishek signing off. I wish the Company and the Board of Directors a great success and prosperity in the coming future. Thank you for giving the opportunity.

Mr. Kawaljeet Singh Bhatia Whole-time Director, replied the query.

I would like to respond to few of the many questions asked by him & I will try to respond some of them. Actually as addressed by the Chairman, the Company suffered huge losses due to Covid-19.

So since December 2019 only when the virus emerged in China due to some Corona-virus rumors that linked poultry to that virus, the sales dropped down drastically, so from December only the poultry is making the losses and added on to that, the subsequent lockdown in the end of March, poultry as a industry witnessed a drop of 70-80% in consumption in the lockdown but after the lockdown when it unlocked, we have seen increase in demand and feed prices are on lower side so we are expecting good results in the next few months or quarters you can say. June quarter was good because of increase in consumption of poultry products. Right now the consumption is around 70% and we are expecting that around Diwali it should be around 80% but only if new lockdown is not there. Nobody can predict right now the situation is very critical. It there is no lockdown we can expect a good future because we are expecting feed prices to be on the lower side this year. But we can only hope for the best if there is no lockdown and situation is under control. Secondly you asked about the salaries, so there was no cut in the salaries of the employees and nobody was laid off in our company. And another point he asked was how we are trying to cope with this scenario. So, for the future also we are trying to maximize our inventory management, we are trying to relocate our branches in different areas. We are taking these steps right now so I think all these endeavors we are taking to counter the restriction we are getting right now are enough for the Company to go further. Thank you very much. Any more questions? May I take this as the end of the questions from all the shareholders?

Company Secretary stated that there were no more questions. Therefore, she requested the Chairman to proceed further.

Chairman

Further, if other members have any questions or queries, they are requested to mail the same & their queries will be answered through mail only. Now, I would also like to have your kind attention that: Results of Remote e-voting and e-voting at this AGM would be available within 48 hours from the conclusion of AGM. And it will be declared as soon as results are obtained from the Scrutinizer. Now With your consent I and other Board members would like to leave the meeting. I conclude this meeting and I would like to thank you for sparing the time to be with us today, and for your continued faith in the Company. Thank you all.

CS Tanu Parmar, Company Secretary

Thank You Sir.