



SIGACHI INDUSTRIES LIMITED

CIN: U24110TG1989PLC009497

AN EXCiPACT GMP, ISO 9001:2015 & FSSC 22000 CERTIFIED COMPANY



To,

Date: 08.09.2022

BSE Limited P. J. Towers, Dalal Street, Mumbai – 400001 (BSE Scrip Code: 543389)	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051 (NSE Symbol: SIGACHI)
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Dear Sir/ Madam,

Sub: Transcript of the 33rd AGM held on 29.08.2022

Ref: Scrip Code: 543389; SIGACHI

Please find enclosed the transcript of the 33rd Annual General Meeting of the members of Sigachi Industries Limited held on Monday, August 29, 2022, at 11:00 AM through VC / OAVM.

This is for the record of the exchanges.

Thanking you.

Yours sincerely,

For Sigachi Industries Limited

Shreya Mitra

Company Secretary and Compliance Officer

Encl: As above.

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Transcript of 33rd Annual General Meeting (“AGM”) of the members of Sigachi Industries Limited (“the Company”) held on Monday, August 29, 2022, at 11:00 A.M. (IST) through video conferencing and other audio-visual means (“VC”).

Directors and KMP present (all present through VC):

S.No.	Name	Designation
1.	Mr. Rabindra Prasad Sinha	Executive Chairman
2.	Mr. Chidambaranathan Shanmuganathan	Executive Vice Chairman
3.	Mr. Amit Raj Sinha	Managing Director & CEO
4.	Mr. Swami Das Nigam	Director
5.	Mr. Sarveswar Reddy Sanivarappu	Independent Director
6.	Ms. Dhanalakshmi Guntaka	Independent Director

KMP & Senior Management Details (all present through VC):

S. No	Name	Designation
1.	Mr. O. Subbarami Reddy	Chief Financial Officer
2.	Ms. Shreya Mitra	Company Secretary & Compliance Officer

Other Invitees in attendance (all present through VC):

S. No	Name	Designation
1.	Mr. Y. Pulla Rao	Partner, Statutory Auditors
2.	Aakanksha Shukla	Scrutinizers & Secretarial Auditor

Members present: A total of 47 members attended the meeting through VC.

Proceedings of the Meeting:

Company Secretary – Ms. Shreya Mitra	<p>Good Morning Ladies and Gentlemen!! I extend a sincere and warm welcome to, Mr. Amit Raj Sinha, Managing Director and CEO of the Company and other Directors and Key Managerial Personnel, namely:</p> <ol style="list-style-type: none"> 1. Mr. Rabindra Prasad Sinha, Executive Chairman 2. Mr. Chidambaranathan Shanmuganathan, Executive Vice-Chairman 3. Mr. Swami Das Nigam, Non-Executive, Non-Independent Director 4. Mr. Sarveswar Reddy Sanivarapu, Independent Director 5. Ms. Dhanalakshmi Guntaka, Independent Director 6. O. Subbarami Reddy, CFO <p>and the shareholders to the 33rd Annual General Meeting of the Company and appreciate your interest in being with us today. The Statutory and Secretarial Auditors are also present in the Meeting.</p> <p>With the permission of the Chair, since the quorum is present, I now commence the meeting: In view of the on-going pandemic COVID-19, the 33rd AGM of the Company is</p>
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	<p>being held using Video Conference /Other Audio-Visual Means mode. I would like to take you through certain points, regarding the participation at this meeting</p> <ol style="list-style-type: none"> 1. The facility of joining the AGM through Video Conference/ Other Audio-Visual Means is being made available for members “on first come, first serve basis”. 2. To avoid any background noise and to ensure smooth conduct of the meeting, all the Members who have joined this meeting will be placed on mute mode by the host. 3. Once the question & answers session starts, the names of the shareholders who have registered as “Speaker shareholder” will be announced. Subsequently, they will be unmuted by the host. 4. The speaker shareholders are advised to put Video on, while speaking. If speaker shareholders fail to speak using video mode, he / she may speak using audio mode with ear phones on. 5. If there is any connectivity problem at speaker’s end we would ask other speaker to join. 6. We would like to request shareholders to kindly restrict their interaction to 1 to 2 minutes. 7. During the proceedings of AGM, if a member faces any issue, he may contact the help line number mentioned in the notice of the AGM. 8. The Company has taken requisite steps to allow members to cast their votes on resolutions being considered at this AGM. 9. Since there is no physical attendance of Members, the appointment of Proxy is not applicable. 10. As the AGM is being held through video conference, the facility for appointment of proxies by the members was not applicable and hence the proxy register for inspection is not available. 11. The Statutory Registers are available for inspection by any person attending the meeting. <p>The members attending this and who have not voted through remote e - voting can cast their vote at the end of this AGM using CDSL e-voting website.</p> <p>I now request Mr. Amit Raj Sinha, Managing Director and CEO of the Company to kindly address to the shareholders.</p>
<p>Managing Director & CEO</p>	<p>Thanks a lot Shreya. Good Morning Ladies and Gentlemen. We meet today as the world traverses a very challenging journey. While it is heartening that India has responded to the pandemic with admirable resilience, global risks have increased with geopolitical tensions and severe economic stress caused by untamed inflation and supply side disruptions. In such a volatile global environment it is heartening that India demonstrated admirable resilience and achieved robust recovery driven by</p>

governments proactive policy measures. While there are near term challenges, your company is optimistic about the prospects of the Indian economy as a whole, Sigachi's future ready and purpose driven businesses and brands are well poised to seize the emerging opportunities and making a meaningful contribution

I would like to acknowledge the Board, the Employees of Sigachi and also our partners, customers and collaborators across the world for their contributions.

The guiding principles of Sigachi continue to be its core values which are - **Excellence, Respect, Integrity and resourcefulness**. It's because of these principles, we are what we are today. Our strategic priorities continue to be Brand building, Having a culture of excellence, innovation, sustainability, Positive Economics and Digital Transformation.

I hope, you have received a copy of the Annual Report for the year 21-22. Your company has grown it's topline to 250.2 Cr, with an YoY increase of nearly 30%. The EBITDA for the year was at 53.1 Cr, with an YoY increase of nearly 37%.

At Sigachi, we have always believed in triple bottom line i.e. People, Planet and Profits. On the People part, Sigachi has been investing significant resources into social variables dealing with community, education, social resources, health, wellbeing and overall quality of life. On the Planet or Environmental part, we have in the last year invested into further recycling and reuse of water and improved on the plantation coverage at our factory and areas surrounding it. Our sustainability goals continue to guide us here.

Coming to the Profits part, I would like to give an overview of our various profit centres-

Pharma Division: The Pharma division continues to be our main stay contributing significantly to our revenue. We are well connected & serving our customers / distributors across 45 different countries and regions. On our annual feedback which we receive from our customers, we continue to be rated highest in quality, regulatory and technical support parameters. This underlines our effort in customer centricity & strong R & D focus. We have actively helped customers with formulation support & not mere being product seller. This has helped brand Sigachi to go further north notching up earning respect of the industry.

Food Division: Last 2-3 years we have seen tremendous growth in food division. Our product portfolio in stabiliser & emulsifier range are now being internationally accepted while our other products in anticaking agents & dietary fibres continue to serve the customer needs. We participated in national & international food expo's developing new markets. We anticipate food division contributing 20% of our

	<p>overall revenue in next couple of years. We intend to demonstrate our strength in Dairy & Bakery segments specially and we are leaving no stones unturned in terms of building teams, R & D, customer connects & ensuring quality service.</p> <p>HealthCare Division: Numbers or Narration of Healthcare division may not appear in Annual Report for the year 21-22, yet, I wanted to bring out that your company set up a new Healthcare division focusing on over the counter (OTC) and other products. We identified opportunities in terms of product-market fit in few therapeutic areas, which motivated us to work towards setting healthcare division to cater to growing medical needs of India common household. You would soon witness Sigachi retail brands becoming house hold names and we are confident of extending our B2B product, quality & service excellence in our B2C growth story with Healthcare division offerings.</p> <p>Nutritional Division: The India consumption story is driven by a favourable economic environment, positive demographic tailwinds and growing social integration. Most ailments are being addressed by a combination of lifestyle changes along with a wide spectrum of products ranging from “Better for you food” to “Pharma”. All these industries, whether it’s the F&B (Private or Institutional), New Private brands, Food fortification & Pharmaceuticals rely on Premix industry to reduce their compliance burden and bring in expertise to improve their product offering or bring down costs. With our recently launched Nutritional division and the State of the art Premix facility, which is designed for Multimineral, Multivitamins, Nutra and food fortification blends, we believe the Nutritional facility can contribute about 10% of the Sigachi revenue over the next 24 months.</p> <p>O&M Division: The Operations and Management division of Sigachi continues to grow. In the ensuing FY, we are looking at contributing approx. 10% of our revenues from O&M. We continue to focus on building our competencies in O&M of Fertilisers, Petrochemicals and STP, ETP plants. Considering that most of the big plants / facilities are operated on a O&M basis or leased out completely, we feel it would be a wonderful opportunity for Sigachi to keep growing in the segments indicated above.</p> <p>I look forward to having your continued support and blessing as always. Jai Hind</p> <p>I now request the company secretary to read out the resolutions in the notice</p>
<p>Company Secretary – Ms. Shreya Mitra</p>	<p>There are 9 resolutions to be considered in the AGM, the resolutions are:</p> <p>Ordinary Business:</p> <ol style="list-style-type: none"> 1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.

	<ol style="list-style-type: none"> 2. To appoint a Director in place of Mr. Rabindra Prasad Sinha (DIN: 00413448), who retires by rotation and being eligible, offers himself for re-appointment. 3. To appoint a Director in place of Mr. Chidambaranathan Shanmuganathan, (DIN: 00485497), who retires by rotation and being eligible, offers himself for re-appointment. <p>Special Business:</p> <ol style="list-style-type: none"> 4. Ratification of remuneration to the Cost Auditor for the Financial Year 2022-23 (Ordinary Resolution) 5. Revision of Remuneration of Mr. Rabindra Prasad Sinha (DIN:00413448) Chairman and Whole-Time Director of the Company (Special Resolution) 6. Revision of Remuneration of Mr. Chidambaranathan Shanmuganathan (DIN:00485497) Vice-Chairman and Whole-Time Director of the Company (Special Resolution) 7. Re-appointment of Mr. Sarveswar Reddy Sanivarapu (DIN: 00459605) as an Independent Director of the Company (Special Resolution) 8. To approve “Sigachi Stock Appreciation Rights Scheme 2022” (Special Resolution) <p>Note: In page No. 188, paragraph No. 6, please read 5 years as 4 years.</p> <ol style="list-style-type: none"> 9. To approve extending benefits of Stock Appreciation Rights Scheme to the Employees of Group Company (ies), Subsidiary, Associate and / or Holding Company (ies) (Special Resolution) <p>The Company has appointed Ms. Aakanksha, Practicing Company Secretary as scrutinizer to scrutinize the votes cast at the remote e-voting process and e voting process during AGM, in the fair and transparent manner.</p> <p>This AGM is being held through Video Conference/ Other Audio-Visual Means and the resolutions mentioned in the notice convening this AGM, have been already put to vote through remote e-voting and through e-voting during this AGM.</p> <p>We will now take questions from the speaker shareholders. Request the shareholders to speak when their name is called out.</p> <p>We will begin with Mr. Srihans Jain.</p>
<p><u>Mr. Srihans Jain</u></p>	<p>Good morning to all the board of directors. I was very glad and pleased to see the flag hosting done at our plant and it has been posted on our website. So, it has been a great pleasure that my company has done such a good thing. Apart from this, our company, uh, is the largest manufacturer of Micro crystalline cellulose, so I want to know would this business be continuing going in future and what would be the growth rate in future. Another thing we are deriving revenues from pharma, for the new pharma, food cosmetic and chemical divisions. So could you give me the breakup from which division how much revenue are we generating? That's all. Thank you.</p>
<p>Mr. Amit Raj Sinha</p>	<p>Thank you very much for your positive response regarding the flag hoisting. Nationalism has always been our forte and we believe that we should inculcate this among every team member who joins us and this should continue to be our prime objective to show India as the best place for investments and products and services.</p> <p>In terms of our Micro crystalline cellulose, we continue to expand, we are putting in reasonable resources and funds into our brownfield expansion adding up to nearly 60% of our capacities to whatever was there earlier. We</p>

	believe that our growth rate would continue to be on similar lines what has been visible in the last couple of years. We don't see this dropping. And probably in another couple of years, when the brownfield expansion has complete capacity utilization done, we will be looking at additional capex for this product, because we will continue to be in the leadership position, and we would like to maintain if not better our position in this industry.
<u>Mr. Srihans Jain</u>	Yeah, so 1 more thing revenue derived from pharmaceutical and food, cosmetic and chemical divisions.
<u>Mr. Amit Raj Sinha</u>	CFO could you just give a breakup.
<u>Mr. O. Subbarami Reddy</u>	Thank you, Mr. Jain. Pharma & Nutra is now 60%. Food earlier it was less than now it is growing, around 30%.comes from the food segment and the balance comes from cosmetics and others.
<u>Mr. Srihans Jain</u>	Okay fine. It was a great pleasure when I visited to the office, I came to know that CFO was busy in the exhibitions. So this is a great effort from the management that we are conducting exhibitions and all. I wish with them all the best. Thank you, sir.
Ms. Shreya Mitra	So moving to our next speaker, Mr. Kankanala Bharat Raj.
<u>Mr. Bharat Raj Kankanala</u>	Very good morning MD of our company and other board of directors. 1st of all. I'm very proud and happy to see all of you safe and healthy and would like to congratulate the management for a successful IPO. So, first question is, I want to know the meaning of Sigachi so please let me know the meaning of Sigachi. Regarding the IPO, how have you utilised the funds? Third question is, we are into MCC, can you give the complete picture of what is MCC and how it is utilised in food, pharmaceutical, cosmetics? I am very proud that the company received an award for TOP 100 MSME, this is only the beginning, and we will continue to get more awards. I also congratulate the management for conducting CSR activities successfully and thank you for payment of dividend.
<u>Mr. Amit Raj Sinha- MD & CEO</u>	Thank you very much Mr. Bharat Raj for your kind words and believe that you, your family members and your line of activity are all doing good. In terms of your questions, the first was what Sigachi stands for. Sigachi stands for an acronym of the 3 people who got together to build the company. But if we look at what it is today, I would say Sigachi stands for its full values of excellence, respect, integrity and resourcefulness. In terms of your second question, MCC and its line of activity, in pharmaceutical I would say it constitutes one of the main key ingredients for formulations in the solid and the liquid oral dosage forms. That would mean that every product, which is whether a tablet capsule, or a syrup needs a base of the MCC to be able to transform itself into a table which is digestible and taken in by the patients. So because this is a key ingredient, it becomes paramount for every formulator to be looking at this product to be able to facilitate them from changing their API to a dosage form, which can be consumed by the patients. This is one of the main key functionalities of. CFO, if there are any other questions, please respond to them.
<u>Mr. O. Subbarami</u>	Yes sir, coming to the third question, the utilisation of funds, the IPO funds are being utilised for brown field expansion. The remaining amount of Rs. 29

Reddy	crore for the expansion in Jhagadia and Rs. 28 crores for the expansion at Dahej and Rs. 33 crores for the expansion of CCS which is superior grade of MCC. Right now, the process is going on and we expect that by the end of this year the brownfield expansion will be completed and till such time we have parked the funds with fixed deposits in banks.
Mr. Bharat Raj Kanakala	Amit Sir, in this market who are our competitors? Are we a monopoly or there are other competitors? Second thing, expansion is really important in this scenario and my intention is that we consider how to expand the capacity because nobody knows in future who will take over our company, the market is very different at present.
Mr. Amit Raj Sinha	Thank you very much Mr. Bharat Raj, we are focusing on building our strengths and this product has been our strength for so many years now and we are working to see how can sustain this leadership position for this product in the pharmaceutical industry. Mr. OSR indicated that we are looking at two brownfield expansion projects and we will continue to do that. Thank you very much Sir, bye.
Ms. Shreya Mitra-Company Secretary & Compliance Officer	The next speaker, Mr. Ravi Shanker Bommakanti.
Mr. Ravi Shanker Bommakanti	Good morning. My compliments to the entire leadership team for charting out a good expansion strategy. I basically have 2 questions on the consolidated cash flow that is on page 148 of the annual report. If you look at the data, the debtors have increased 3 times in the financial year ended 2022. I just want to understand whether there's any specific reason for the increase in debtors and whether all of them have been collected by now and the other question on the cash flow is, in the investing activities the cash flows have been used for other assets, to the extent of more than 39 crores. I just want to understand what type of assets and category of assets were acquired with this cash flow to the extent of 39 crores. So, these are the 2 questions that I have right now. right now.
Mr. O. Subbarami Reddy	Good Morning Mr. Ravi Shanker and thank you for the question. There is an increase in receivables in the FY 2022 when we compare to FY 2021 because in 4 th quarter for the financials for FY21 there was a turnover of around 45 crores and in FY 22 there was a turnover of around 68 crores. There was a considerable increase in turnover in the last quarter and coming to the month of March there was a turnover of around 24 crores, average turnover of 15 crores in FY 21 because we had higher sales. These sales were obviously shown as outstanding at the end of the year and these were collected in subsequent periods. Because of this it shows higher debtors but subsequently they were all collected. Coming to your 2 nd question, there was an increase in outflow for our assets this was because we have parked our funds in FDs which is roughly 34 crores. We have paid capital advances for the brownfield project that would be around 5 crores, total around 39 crores and this is the reason why it is showing outflow as other assets. Others are nothing but FDs.
Mr. Ravi	Thank you, that really clarifies my queries.

<p>Shanker Bommakanti</p>	<p>Mr. Amit, since we have a dominant and a growing presence in MCC, you know, which is basically a B2 B business and serving various industries now the diversification is into, B2C which is into branded generics. Can I know the rationale and the reason why, you know, there's a shift from B2B to B2C and how do we position ourselves in the crowded market of branded B2C products?</p>
<p>Mr. Amit Raj Sinha</p>	<p>Thank you very much Mr. Bharat. I'm sure you will appreciate that you know, as a company grows, it keeps looking out for opportunities and the overall situational change in the market, keeps modifying its strategy to suit what is best for the industry. When we did a detailed market study in the consumer healthcare and did a gap analysis on that what we found was that the Indian OTC market was expected to go from approximately 5 Billion dollars to approximately 9 Billion dollars by 2027. This was driven primarily by increased healthcare expenditure on account of the pandemic being there, and a sudden rise in lifestyle diseases. and, of course, the big population that India has. Of this segment, cough and cold segment was to witness the highest CAGR category growth of nearly 11% from years 22 to 25. Industry experts believe that the cough and cold segment reports higher sales as more brands are available over the counter and without prescriptions. In terms of our other product line which is in digestive aids, we've seen that 35% of the population in India do suffer from liver related ailments specifically fatty liver and according to WHO, liver disease is amongst the 10th most common cause of ailments in the country and now with the current lifestyle changes the liver segment needs much more solutions than what primarily has been, especially in the non-prescription part. Now, if I look at the vision and the mission part of what stands for you know, it is to deploy innovative customer centric solutions for a healthier world. Healthcare vertical is crucial for achieving this particular directive, given the above context and hence the thought of diversifying out into the healthcare segment. This this is 1 of the brain thoughts, if I look at the synergies which come in from what we have been doing all these years to what we intend to do with our baby steps, what we have taken right now, I believe our deep understanding of the consumer health needs the experience of being in pharma and the new space for the last 3 decades helps us a lot. Having strong in-house R&D and quality teams, which are well versed with current technological knowhow, and the next phase of patient centric delivery systems, robust purchase and inventory, supply, chain, management and processes, which are already in place, strong ID, infrastructure, backup processes and financial controls, they continue to support us in our endeavour to continue to expand into various different horizons. this fits over into our broader vision of deploying innovation to create custom solutions for an overall healthier, happier world and this helps to get closer to the end customer to understand the evolving customer taste, requirement which creates a feedback loop for our customers and the new plus space. This is the overall thought which we have in terms of now, growing beyond what we are in to something beyond that in.</p>
<p>Mr. Ravi Shanker Bommakanti</p>	<p>Yeah, really appreciate the detailed explanation. Mr. Amit, let us all wish for the very best. I just wanted to point out that I think in cough and cold segment, you know, products you mentioned, the reason why I asked is I was a bit concerned because Amrutanjan, which is also into B2C, reported a bad</p>

	<p>quarter with fallen demand. And, in fact, they simply said demand fell off, you know, for some of their products. But of course, that is in pain relief and other products whereas what you're talking about is cough and cold. So just I was just curious about, you know, what the business was so thank you very much for clarifying and let us all hope that, you know, we grow into new frontiers very well and demonstrate the same excellence as in the B2B segment.</p>
Mr. Amit Raj Sinha	<p>Thank you, thank you. Mr. Ravi Shanker. I would like to just add in that, you know, the challenges which are faced by the leaders in the segment are far, far different from the challenges, which are faced by somebody who is you know, taking baby steps to get into the segment. You know, leader has to kind of protect his brand and take care of his market space. Whereas what we have to do is we have to get into the market because we have no baggage of being a leader. So I'm sure there are challenges but for the bandwidth and the space, what we are in, we are here to face challenges and grow.</p>
Mr. O. Subbarami Reddy	<p>Thank you very much, sir. To supplement this, we are not setting up the units and producing these products, we are getting it manufactured from the other manufacturers. This is an additional advantage for the company, and we want to establish our marketing network and then later on, we can think of what the products are we can manufacture, we can get it manufacturing from the others.</p>
Ms. Shreya Mitra	<p>Thank you Mr. Ravi Shanker. Our next speaker, Mr. Kamal Kishore Jhawar.</p>
Mr. Kamal Kishore Jhawar	<p>Greetings to the chairman, MD and all other directors present. I suggest we keep AGM via video conference always as it is convenient and I would like to thank for the dividend.</p> <p>I suggest that the management listen to all the questions together and then answer one by one so that we save time in future.</p> <p>I would like to congratulate the management for good performance. Please enlighten me about what can be the expected turnover and profit for this FY. Thank you and all the best.</p>
Mr. Amit Raj Sinha	<p>Thank you Mr. Kamal Kishore Jhawar, we have heard and taken note of your suggestions. Regarding your question for the performance in the ensuing FY, I would like to assure you that we will be able to maintain the same levels of growth even in the FY 2022-23 and we are all committed to it.</p>
Ms. Shreya Mitra	<p>Our next speaker, Mr. Ramesh Manguluri.</p>
Mr. Ramesh Manguluri	<p>Good Morning to everyone, this is Ramesh Manguluri from Hyderabad. First of all, I would like to congratulate the management for the excellent performance, top line is 250 crores and bottom line is 40 crores. So coming to my question, right now the company is depending on a single product i.e. MCC, are there any plans to de-risk this as all the other companies have other products to sell. What are your plans in this regard?</p> <p>Second, what is the status of the ongoing CAPEX addition and when is it expected to commence operations?</p> <p>Third, I would like to know about our R&D operations, are there any new innovations to be launched? And recently, there was a news in the media that the company is foraying into nutraceutical industry, what is the ground work you have done is what I would like to know. Thank you.</p>

<p>Mr. Amit Raj Sinha</p>	<p>Thank You Mr. Ramesh for your wonderful questions. First among them which is being the single product, what I would like to indicate is that we are no more a single product risk, we have a product portfolio which is primarily catering to the pharmaceutical industry in the solid oral dosage forms and our product portfolio amplifies itself to approximately 60 different applications which are the need of the formulators. All of them are on the base of the cellulose chemistry. Over and above this, in our IPO we had worked on adding another product which is Croscarmellose Sodium (CCS). CCS herein the raw material and customer profile would continue to remain same and thus we continue to strengthen our relationship with our existing customers. Now like you indicated, we have jumped into nutraceutical and also along with that we have jumped into OTC as well so you would see that the concept of single product no more really stands with us. We are looking to grow beyond pharmaceutical into the nutraceutical, nutritional and into food and there are segments where we are making our presence felt.</p> <p>In terms of the nutritional activity, we are primarily focussing on drum to hopper pre-blends which are the base and need of the customers who are ready to formulate various premixes or formulations based on their product profile. We are here to support to our customers in the food certification programme, premix of multivitamin, multi minerals, nutritional premix so because of these two ingredients the compliance burden of our customer reduces drastically and that is what gives us the comfort of having these. I missed the third question you brought up.</p>
<p>Mr. O. Subbarami Reddy</p>	<p>Yes Sir, one is capex expansion. Presently, brownfield expansion projects are in process and almost 80% of it we have completed and we expect that by the end of this year it will become operational.</p> <p>Regarding R&D, we have a 12 members team and we are essentially working upon and addressing the existing customer's pain point and are also in the process of providing additional support and products in the R&D process.</p>
<p>Mr. Ramesh Manguluri</p>	<p>Any new innovations coming up?</p>
<p>Mr. Amit Raj Sinha</p>	<p>So we do have innovations in the pipeline and we generally don't declare it until the time we have the intellectual property in place but there are a lot of aspects coming in for growth in these segments. The fact that in the food segment we have moved from (<i>inaudible</i>) does indicate that our products coming out are meaningful to the customers.</p>
<p>Mr. Ramesh Manguluri</p>	<p>What would be the timeline tentatively for launching these new innovations?</p>
<p>Mr. Amit Raj Sinha</p>	<p>So its difficult to give timelines because there is groundwork being done and subsequently once the intellectual property filing takes place, sometimes it takes a bit more time than we expect. So we usually don't give timelines for the innovations coming out, but it definitely shows us in our interaction and engagement with the customers and broadens our connect with the end customers.</p>
<p>Mr. Ramesh Manguluri</p>	<p>You just mentioned that you are developing another product, what is the profit potential of this product in the market?</p>
<p>Mr. Amit Raj Sinha</p>	<p>I would say that if the pharma industry is growing at a CAGR of nearly 7% to 8% on an annual basis, this being part of solid oral dosage forms and given its other complexities with injectables or in terms of any other dosage forms</p>

	constitutes much higher percentage, nearly 30% to 40% pharma growth happens only in the solid dosage forms, I believe that this industry is bound to be growing much more than the pharma industry, the CCS Industry and because it is an excipient it is a common base ingredient which goes into any formulation. So irrespective of which they would need these products to formulate their product into tablet or capsules. So that is the intrinsic strength of this particular product.
Mr. O. Subbarami Reddy	Yes there are other applications out there in food and cosmetics also.
Mr. Ramesh Manguluri	Thank you so much.
Ms. Shreya Mitra	Our next speaker, Mr. Suresh Chand Jain.
Mr. Suresh Chand Jain	Greetings and good morning to each member of the board present today. In your chairman you have given us a complete picture of the company's state of affairs, I thank you for it. Prior to this, Mr. Kamal Kishore Jhawar suggested that you first listen to all the questions of the shareholders and then reply accordingly, I would request you to take this into consideration for the next meeting. Thank you for granting me the opportunity to speak in today's meeting.
Mr. Amit Raj Sinha	Thank you Mr. Jain for your questions and suggestions and we will keep in mind how to incorporate the changes you have suggested in future.
Ms. Shreya Mitra	Our next speaker, Mr. Kaushik Shahukar.
Mr. Kaushik Shahukar	Am I audible sir? My video has not been enabled, please do. Thank you. Good morning, everyone. Firstly, I would like to thank the board of directors for giving me this opportunity to speak in this forum. I will keep both my ask and conversation brief. I hope I am clear.
Mr. Amit Raj Sinha	Yes Mr. Kaushik, please go ahead.
Mr. Kaushik Shahukar	I am Kaushik Shahukar, a qualified and practicing chartered accountant from Mumbai. I have been suffering from dystonia which has rendered 55% of my body paralysed which has affected my right hand, right leg, walking and speech. I have not let this come in my way of becoming a chartered accountant and practicing. It will be appreciated if the company can at least associate with me for my work. I want to know the forum where I can speak or reach you in future. Thank you.
Mr. Amit Raj Sinha	I appreciate that in spite of the challenges, you have been able to master your skills and be a qualified chartered accountant. Heartiest congratulations to you. On that, in terms of engaging on a professional platform, like you indicated, this is not the best platform to be speaking. I would request that if you go to our website there are points wherein we can look at deeper engagements between the people who are interested in working for Sigachi. Those platforms are better to be declared open because they help you directly connect with the concerned department and the sections where your strengths can come in in terms of what we need and we could align that on a separate platform. Appreciate your support, thank you Mr. Kaushik.

Ms. Shreya Mitra	Our next speaker Mr. Praful Chavda.
Mr. Praful Chavda	My greetings to Chairman and the board of directors. I see that the company is growing continuously, and this is the result of the hard work of all the employees and the board of directors. I would like to know if the company is planning to take over another company or increase its capacity in the future. I would like to bring out that depression is a crucial issue in today's world, and I would like to suggest that under its CSR activities the company appoint a clinical psychiatrist to assess its employees. Thank you.
Mr. Amit Raj Sinha	Thank you for your wishes. In terms of CSR, I would recommend your suggestion regarding tackling depression in the employees to the CSR Committee in its upcoming meeting and we shall proceed as per the suggestions or feedback of the committee. Thank you Mr. Praful Chavda.
Ms. Shreya Mitra	Now our last speaker, Mr. Srikant Jhawar.
Mr. Srikant Jhawar	Greetings to all the directors. I just have one question regarding the jump in the price of raw materials and would like to know about the plants situated in Gujarat. Thank you.
Mr. Amit Raj Sinha	Raw material prices have increased due to international fluctuations but it is tapering down right now. We were able to pass on the increased prices to our customers so there are no adverse impacts. Coming to Gujarat, we have two operational units there and brownfield expansion is ongoing. For the third unit we are awaiting environmental clearance for our new product i.e., CCS. The expansion of the two units is going on as expected and by the end of this financial year we are expected to begin commercialisation. Thank you.
Ms. Shreya Mitra	With those words, I want like to thank all the shareholders for taking the initiative for joining this meeting and also working with us patiently to conduct this meeting. I thank all our directors for their time and participation in the meeting. I now authorize Ms. Aakanksha, Scrutinizer to conduct the e-voting procedure. E-voting facility will remain open for next fifteen minutes, to enable those members who have not casted their votes would like to cast their vote. The results would be announced on 29 th August 2022, and the same would be intimated to BSE Limited and National Stock exchange of India Limited and uploaded on website of the Company and CDSL website With this, I declare the Annual General Meeting as concluded upon completion of 15 minutes of e-voting. With your consent, I and Directors would like to leave the meeting. Thank you all for casting your vote.

Please note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings