DE NORA INDIA LIMITED -Transcripts of 31st AGM

Day, Date and time: Wednesday, 23rd September 2020 at 11.00 AM

Mr. Satish Dhume	Good morning everybody. I extend a warm welcome to you all to the 31st Annual General Meeting of your Company De Nora India Limited. In view of the outbreak of Covid-19 pandemic and social distancing norms to be followed, this meeting is being held through video conference in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. I now introduce my self. I am Satish Dhume, Independent Director and Chairman of the Company. I am also the Chair of Audit committee of the Company; I am joining this AGM from the registered office of the Company. The joining in to this meeting opened 15 minutes before the scheduled time of the commencement of the meeting, which is 11: 00 am and it will remain open for another 15 minutes from this scheduled time. The requisite quorum being present, I declare this meeting as open. Before we start the main proceedings of the meeting, I request my collegues on the Board and other Key Managerial Personnel on the video conference to introduce themselves, after I call out the names. Mr. Vinay Chopra.
Mr. Vinay Chopra	Good morning everybody. I am Vinay Chopra, Managing director of the De Nora India Limited. I am joining this AGM from the registered office of the Company at Kundaim– Goa.Thank you.
Mr. Satish Dhume	Ms.Sarita D'Souza…. Ms. Sarita D'Souza….. Ms. Sarita D'Souza…..
Ms.Sarita D'Souza	*Good morning everybody. I am Sarita D'Souza, an independent director on the board. I am the Chair of Stakeholders relationship committee and Nomination and Remuneration committee of the Company. I am joining this AGM from my residence in Goa. Thank you.* *
Mr. Satish Dhume	Ms.Supriya Banerji
Ms.Supriya Banerji	Good morning everyone. This is Supriya Banerji, an independent Director on the Board. I am the Chair of CSR Committee of the Company and I am attending this AGM from my residence in Margao-Goa. Thank you.
Mr. Satish Dhume	Mr. Robert Scannell

**Ms.Sarita D'souza introduced herself, but due technical issues, it was not audible to participants in the AGM.*

Mr. Robert Scannell	Good morning everybody. I am Robert Scannell, Non executive Director on the Board. I am joining this AGM from Germany. Thank you.
Mr. Satish Dhume	Mr. Francesco L'Abbate
Mr. Francesco L'Abbate	Good morning everybody. I am Mr. Francesco L'Abbate, Non executive Director on the Board. I am joining this AGM from Germany. Thank you.
Mr. Satish Dhume	Mr. Deepak Nagvekar
Mr. Deepak Nagvekar	Good morning everybody. I am Deepak Nagvekar, Chief Financial officer of the Company. I am joining this AGM from the registered office of the Company in Kundaim, Goa
Mr. Satish Dhume	Mr. Shrikant Pai
Mr. Shrikant Pai	Good morning everyone. I am Shrikant Pai, Company Secretary and I am joining this 31st Annual General Meeting from registered office of the Company in Kundaim-Goa. Thank you.
Mr. Satish Dhume	Thank you every one. Apart from them, we also have Mr. Darryl Frank as representative of the Statutory Auditors firm, MSKA & Associates and Mr. Sadashiv Shet, Practicing Company Secretary who is the Secretarial Auditor of the Company and also the Scrutinizers of the e-voting process for this AGM. We also have joining us the authorised representative on behalf of the holding Company ORONZIO DE NORA INTERNATIONAL B. V. I now request Shrikant Pai, Company Secretary, to provide general instructions to the members regarding participation in this meeting.
Shrikant Pai	Thank you Mr. Chairman. Good morning everyone. Members may note that this 31st Annual General Meeting of the Company is being held through video conference or other audio-visual means in accordance with the Companies Act 2013 and relevant circulars issued by the Ministry of Corporate Affairs and SEBI. The registered office of the Company situated at Kundaim, Goa shall be deemed as the venue for this Annual Genearl Meeting and proceedings of the Annual Genearl Meeting shall be deemed to be made at the registered office of the Company. Facility for joining this meeting through video conference or other audio-visual means is made available for the members on a first-come-first-served basis. The Company has made all efforts feasible under the current circumstances to enable the members to participate at the meeting through the video conferencing facility and vote electronically. Members are requested to refer to the instructions provided in the notice for a smooth and seamless participation through video conference.

	The Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts and Arrangements in which Directors are interested, has been made available electronically for the inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to Email ID dni.secretarial@denora.com. As this AGM is being held through video conference, the facility for appointment of proxies by the members was not applicable and hence the proxy register is not made available for inspection. The Company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be opened to these members to ask questions or express their views. The moderator will facilitate this session once it is instructed to open the floor for speakers. It may be noted that the Company reserves the right to limit the number of speakers depending on the availability of time at the AGM. We had also requested the members to send their queries in advance, in the AGM Notice. In this Video Conference meeting, we shall be responding to those queries which have already been received by us depending upon the availability of time. The Company has engaged the services of Central Depository Services (India) Limited for facilitating the e-voting in compliance with the provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company had provided the facility to cast the votes electronically to all the persons who were members as on the cut-off date i.e. 16th September 2020 on all resolutions set forth in the Notice. The remote e-voting commenced on 20th September 2020 at 9.00 am and closed on 22nd September 2020 at 5.00 pm. Members who have not cast their votes yet electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by CDSL through which you are joining this meeting. The e-voting platform is open now for voting and will close after 15 minutes from the time of closure of this meeting. Mr. Sadashiv Shet,Practicing Company Secretary has been appointed by the Board as the scrutinizer for scrutinizing the e-voting. The results of the e-voting will be declared within 48 hours of conclusion of meeting after considering the e-voting done today by members participating in this AGM and also the remote e-voting already done by the members. The results of e-voting along with scrutinizer report shall also be submitted to the stock exchanges, i.e. NSE and BSE and will also be placed on the website of the Company. As the meeting is convened

	through Video Conference today, resolutions have already been put to vote through remote e-voting and the practice of proposing and seconding of the resolutions is not being followed. With this, I now hand over the proceedings to the Chairman.
Mr. Satish Dhume	Thank you, Mr. Shrikant. Dear Shareholders, Once again a warm welcome to the 31st Annual General Meeting of the company. On behalf of the Board of Directors, I would like to thank you for making the time to join in this Meeting. We appreciate your support and confidence in us, particularly in uncertain times like the one we are facing with today. The financial year 2019-20 was full of challenges and uncertainties. As you would have seen from the Annual Report, your Company has shown good performance during the year 2019-20. Your Company has achieved total revenue from operations of Rs. 4,827.67 Lakhs and Net profit of the Company was Rs. 812.81 Lakhs. The Annual Report of the Company explains these aspects in reasonable detail. As you all know, we are going through unprecedented times and the year gone was full of uncertainties and challenges. Covid-19 has impacted every country, business and individual across the globe. Even before the Covid-19 pandemic hit the country, the manufacturing sector in India witnessed a slowdown. Your cCompany has made continuous efforts to enhance performance by focusing on its vision and mission statement "Our research, your future". Your Company is committed to improve efficiency and resilience of its business operations through its core technology. Although there are ongoing adverse external factors due to Covid-19 pandemic which makes the current year unpredictable, the Company has reasonably grown in sales and operational profitability. The management of your Company has done a detailed assessment of the impact of Covid-19 on Company's operations and financial performance and has concluded that no impact is required to be recognised in the financial results for the year under review. The management continues to monitor the impact any material changes in future economic conditions. While it is difficult to predict the future impact of Covid-19 on the business due to constraints in supply chain, logistics and other restrictions that may be imposed, your company will take a watchful approach to remain agile and competitive and to minimize the impact of disruption on the business in these unprecedented times. In conclusion, I say that the management of the Company is making all required efforts and will continue to take all necessary steps in these challenging times to mitigate the risks to bring stability in the business operations. Thank you:

	With this, I hand over to Mr. Shrikant Pai, Company Secretary for further proceedings.
Mr. Shrikant Pai	Thank you Mr. Chairman. Dear Members, I trust that you have received the Annual Report and the Notice of the 31st Annual General Meeting containing the Resolutions to be voted on. As the Notice and Directors report are already e-mailed to the members with the permission of members, I take the Notice convening the meeting and Directors report as read. There are no qualifications, observations or adverse comments in the audit report issued by the Statutory Auditors, MSKA & Associates and the Secretarial Auditor, Mr. Sadashiv Shet, for the financial year 2019-2020. Therefore the Statutory Auditors report and Secretarial Auditors report are also taken as read at the meeting. We will now take up the resolutions which are proposed to be passed at this meeting. We have five resolutions for approval in this Annual General Meeting as set forth in the Notice. 1. Item No. 1 in the Notice is Approval and adoption of the audited financial statements for the year ended 31st March 2020. 2. Item no. 2 in the Notice is Re-appointment of Mr. Robert Scannell (DIN: 06818489) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. 3. Item No. 3 is Appointment of Mr. Francesco L'Abbate (DIN:08063332) as Non-Executive Director. 4. Item No. 4 is Approval for Material Related Party Transactions with De Nora Italy S.r.l., Italy. 5. Item No. 5 is Approval for Material Related Party Transactions with Industrie De Nora S.p.A., Italy. Item No. 1 & 2 relate to Ordinary Business. Item No. 3, 4 and 5 are related to Special business and are proposed to be passed as Ordinary resolutions. The text of the resolutions along with explanatory statement is provided in the Notice circulated to the members. We look forward to your whole-hearted support on these proposals. As the resolutions are tabled now let me move to the next part. The members who wish to speak at the meeting were requested to register themselves as a speaker by sending an e-mail to the Company. Due to the Video Conferencing format of the meeting and in the interest of time, we will be able to listen to 5 shareholders from whom the we

	have received request for registration as speaker at the meeting. Each shareholder will be given a maximum 3 minutes to express his / her views. Members are requested to keep their questions brief and specific. To avoid repetition, the answers to the questions received from members will be provided towards the end. I would like to highlight to the speakers that when your name is taken, your mike will be enabled by the moderator of the meeting allowing him or her to speak. You will have to also unmute the mike and turn on your video from your end and share your views and opinions If there are connectivity problems at the speakers end the moderator will mute such speaker and move to the next speaker. With this Now, I invite the first speaker Mr. Amit Bagaria who has registered himself as speaker to express his views and ask questions.
Moderator	Mr. Amit has not joined the meeting.
Mr. Shrikant Pai	Ok, So we will move to the next speaker. Now I invite the second speaker Mr. Dinesh Amrutlal Kotecha
Moderator	Mr. Dinesh Kotecha has also not joined the meeting. You can go to the next speaker.
Mr. Shrikant Pai	So, I invite the next speaker Mr. Aspi Bamanshaw Bhesania.
Mr. Aspi Bamanshaw Bhesania	Chairman Sir, can you see me and here me.
Moderator	Yes we can see you and hear you.
Mr. Aspi Bamanshaw Bhesania	Chairman Sir, I am Aspi Bhesania from Bombay. I am a shareholder even before the current management took over the Company. This is the first time I am attending the your AGM because I am from Bombay. Company should atleast send the link and inform speaker because there are so many meetings in the end of september and it is not possible to attend all the meeting if you don't know the speaker no. Luckily the first two speakers were not there I could join in immediately. I would like to know from the German promoter directors what is the future of the company. What is the roadmap for next 3 years. Because profits are growing no doubt but then I don't know what is happening, the share price is not moving up at all. And secondly there was no dividend for the last two years. I would like to know what are your plans for the company. Whether you want to accumulate the cash and acquire some new companies and acquire some brands, or organic, inorganic growth what is in the company that is what I want to know. I would also like the German directors to say something about the Company.

	I would also request the CFO and CS to be more shareholder friendly. Because the CFO is always busy. Earlier there was a lady CS she also never used to answer calls. I never tried with Mr. Shrikant Pai, I hope he will answer the calls. Thank you. All the best.
Mr. Shrikant Pai	Ok. So the next speaker who has registered is Mr.Abhishek J.
Moderator	Mr. Abhishek J has also not joined the meeting. You can go to the next speaker.
Mr. Shrikant Pai	So the next speaker registered is Mr. Kiran Kishor Kharangate.
Moderator	Mr. Kiran
Mr. Kiran Kishor Kharangate	Can you see me.
Moderator	We can hear you. You have to turn on your video to be able to see you.
Mr. Kiran Kishor Kharangate	Tried doing it. Ok, can I go ahead and ask the question. Because there is some issue with my video.
Moderator	Yes you can please.
Mr. Kiran Kishor Kharangate	I think now you can see. I just wanted to ask that how is the Company responding to the current situation of covid and what are the measures that you are taking to counter these problems that are faced. This was my first question. And the other question that I wanted to ask was on caustic soda, how the industry performing. Because, for De Nora causitc soda is the main busnesss so how is the Chor alkali industry responding to the same. So I wanted to ask this question. These are the two questions that I wanted to ask.
Mr. Shrikant Pai	Thank you Mr. Kiran Kishor Kharangate. We have also received queries from few shareholders on varies topic by email We have classified these queries received from the members based on their substance in the interest of time. I will just read out the questions which we have collated and I request Mr. Vinay Chopra, Managing Director to answer to the queries. The first question is What is the impact of Covid-19 on to business operations, financial performance, also the impact on employees and what is Management outlook on performance of the Company in future? How is the Company responding to the present situation of uncertainty and what are the various steps being taken to counter them?
Mr. Vinay Chopra	Good morning Everybody, Am I audible.
Moderator	Yes you are audible.

Mr. Vinay Chopra	Ok. Covid has actually impacted the whole world. So De Nora is not an exception for Covid. We have been very proactive for employee safety. Employee safety has been paramount even before this Covid has impacted the world. Particularly when this covid situation erupted your Company has upgraded its efforts keeping the safety of employees at paramount in our minds and in our actions. Now coming to the business aspect as we know that there are supply chain disruptions all over the world and your Company has been trying its best to minimise this impacts for the supply chain, raw material scarcity and all to continue our operations, so as of now when we are speaking lets say about 8-9 months into this Covid situation, as of now there is no significant impact on the business and looking forward in future we are taking appropriate steps so that there are no disruptions in the business, we are taking advance steps along with our Milan head office to ensure that the business of the Company runs smoothly. So hoping that the situation will ease out in coming months, as of now because of Covid there is no significant impact on our business.
Mr. Shrikant Pai	Going to the next question. The next question is on topic related to dividend. Shareholders have expressed that although the Company has performed well in this year, the Company has not declared dividend during the year. I request the Managing Director to respond to the query.
Mr. Vinay Chopra	Regarding the dividend the old shareholders would know that De Nora has been practicing a dividend policy since many years, ok. Looking at the current situation, looking at the operations which got complicated because of Covid, this not declaring dividend decision has been taken considering the long-term interest of your Company. There are lot of uncertainties, still we are not sure where we will be landing up as a Country, as a man kind, so to mitigate some unforeseen uncertainties in future and to preserve cash this conscious decision has been taken by the management not to declare the dividend.
Mr. Shrikant Pai	The next question is how the Water Technologies business is performing. What is the % share of revenue comes from Water Technology business. We have not seen this segment performing to its true potential. What are the new technologies emerging in the chlor alkali business and how do they present a risk to business of the Company? They have also asked to know about the sea water electro chlorination and the electro chlorinator business and the potential. What is the managements 3-year vision for the business?
Mr. Vinay Chopra	Ok. There are many questions in one single question. Let me reply one by one. As far as the developments in chlor alkali segment are concerned as our shareholders are aware that De Nora has a collaboration with ThyssenKrupp Uhde Chlorine Engineering corporation and its old name is Uhde, so Uhde is the technology

	supplier and Uhde is upgrading its technology. Uhde supplies this package of chlor alkali as a package and these upgradations are happening in the Chlor alkali market. As far as De Nora role is concerned, De Nora role is to supply electrodes which is one of the most important components of chlor alkali technology and we currently work upon this upgraded cathodes and anodes which we supply to Uhde as part of their package. So any technology upgradations needs time, needs a performance in the market and subsequently it comes to India. As you know that your company is into the aftermarket sales so these upgradations which is a continuous phenomena which is happening in the chlor alkali market but your company roles comes into after market which is normally after 6-8 years that the technology lands up in India. So continuous upgradations which are happening in technology be assured that your company is getting all those technologies inputs to be ready to cater to these technological upgradations. Ok. Next question is on water treatment segment, about the revenues of water treatment segment and growth prospects and sea water. So as far as the segmentation is required this revenue segmentation is already been provided in the annual report of 2019-2020. We have to understand our company has good products, these are technology based products but we cater to a niche market in the full value chain of water. So water as a subject is a big subject. And any thing can be considered that water is growing or it is going to be the next future, but we have to understand that what is your company catering to value chain of water so we are basically electrodes which are cathodes and anodes which are our proprietary, which we offer to the market. So now the growth prospectus, ultimately in water market the end customer is government and when you are dealing with government there are inherent delays, there are projects not getting completed on time which is beyond the control of the company and its also probably beyond the control of government because there are so many contributing factors happening. Ok. So all these projects of WT are long term in nature. This directly impacts the revenue recognition of your company. So in WT the product upgradation and the product offered to the market also has to be in tune with the demand system in India because ultimately the end customer will be government. There are statutory compliances which being public limited De Nora has to comply with. I am able to answer to all the questions you asked Shrikant or is something left? Because your question was long and it had many many things. Please let me know.
Mr. Shrikant Pai	You have pretty much covered everything. Moving to next question.

	A Shareholder has asked about what is presently installed base of membrane cell electrolysers in chloro alkali plants in India? What % of this comes up every year for recoating. What % of clients have adopted, the upgraded membrane cell zero gap technology. Are recoating realizations better here compared to standard recoating.
Mr. Vinay Chopra	The installed base in chlor alkali in India about 4- 4.5 million tons per annum. Your company is catering to this installed base and explained in my previous question whatever technological upgradations the technology transfer it happens when it is required as we come into aftermarket. So your company is fully ready to cater to these installed plants of India as and when they are due for re-coating or refurbishment.
Mr. Shrikant Pai	Thank you Mr. Vinay Chopra for responding to the questions. This brings us to the end of question answer session. With that I handover the proceedings to the Chairman.
Mr. Satish Dhume	Thank you, Shrikant. Members who have still not voted on resolutions are requested to cast their vote on CDSL e-voting system. The detailed process of voting is mentioned in the AGM notice. Members may note that e-voting will close after 15 minutes from the time of closure of this meeting. The Board has appointed Mr. Sadashiv Shet, Practising Company Secretary as the Scrutinizer to supervise the e-voting process. I hereby authorize Mr. Shrikant Pai, the Company Secretary, to declare the result of the voting and place the results on the website of the Company. The resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes. I once again thank you for participating in the AGM and for your cooperation for conducting this meeting in order. Before I conclude, I would also like to express my gratitude to all employees, the board members and all other stakeholders for their continuous support, guidance and co-operation. There being no other business, I declare the meeting as closed. Stay safe and stay well.