

TRANSCRIPT OF THE PROCEEDINGS OF 47TH ANNUAL GENERAL MEETING OF THE MEMBERS OF INEOS STYROLUTION INDIA LIMITED HELD ON THURSDAY, AUGUST 27, 2020, AT 11.00 A.M. THROUGH VIDEO CONFERENCING (VC) / OTHER AUDIO-VISUAL MEANS (OAVM) .

1

00:00:03.174 --> 00:00:12.925

Thanks for reminding. Yeah. Sorry, Steve. Okay. Let me start again. Good morning everyone.. I Stephen Mark Harrington, Chairman of the board.

2

00:00:13.285 --> 00:00:14.634

Welcome you all to this forty,

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00:00:14.634 --> 00:00:17.545

seventh annual general meeting of the members of INEOS Styrolution,

4

00:00:18.265 --> 00:00:19.135

India limited,

5

00:00:19.710 --> 00:00:20.010

which,

6

00:00:20.004 --> 00:00:29.484

Is being held through video conferencing mode as permitted by the Ministry of Corporate Affairs and SEBI due to the current situation caused by the Covid-19 pandemic.

7

00:00:31.015 --> 00:00:39.984

I thank you all for participating in this AGM through video conferencing and sincerely wish that all of you and your families are staying safe and healthy.

8

00:00:42.234 --> 00:00:54.414

Since this is the first time that the AGM is being conducted through audio visual means before we commence, I would request the company secretary to provide certain guidelines that will be followed during the AGM.

9

00:00:55.734 --> 00:01:00.715

I would request you all to be patient so that we make this AGM a successful event.

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00:01:03.295 --> 00:01:13.734

Thank you Steve. Good morning everyone.. this is Abhijaat Sinha here.. I am the company secretary I would like to inform you all that this AGM is

being conducted through the video conferencing and other audiovisual means.

11

00:01:14.575 --> 00:01:16.974
The AGM notice dated 25th June 2020

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00:01:17.004 --> 00:01:22.465
was mailed on 04th August 2020 to all eligible shareholders on record whose email ID was registered,

13

00:01:22.465 --> 00:01:23.215
either with the company,

14

00:01:23.215 --> 00:01:32.605
or the depository participants. The shareholders have been given access to the facility enabling them to join the meeting through video conferencing means on first come first served basis. By default all the members,

15

00:01:32.605 --> 00:01:39.295
joining this meeting are placed on mute mode to minimize any background noise and ensure that the meeting can proceed smoothly and seamlessly.

16

00:01:39.775 --> 00:01:51.864
Only those shareholders who have registered themselves as a speaker, prior to the AGM will be allowed to speak and ask questions during this meeting. We have received request from only one shareholder within the provided timelines and therefore we will be proceeding accordingly.

17

00:01:52.765 --> 00:02:05.844
During the interaction session with the shareholder, we will announce the name of the speaker whose line will be unmuted and he would be allowed to speak. We will check his presence. And will be unmuting him. And he can speak then.

18

00:02:05.844 --> 00:02:20.185
we will request the speaker to adhere to the time limit of three minutes, post which, depending on the time we can mute the speaker's line. The speaker is requested to click on the audio button while speaking ..that option will have to be enabled.

19

00:02:20.425 --> 00:02:27.865
The video option is disabled by default to to avoid any bandwidth related issues. And so that the shareholder can be heard clearly. During the meeting.

20

00:02:27.865 --> 00:02:38.215

If any party encounters any technical issues, you may call the help line number of CDSL, which is provided in the notice of the AGM. Thank you.

21

00:02:38.215 --> 00:02:45.085

Thank you Abhijaat. I will now invite my colleagues on the board to briefly introduce themselves. Mr. Jal Patel.

22

00:02:47.245 --> 00:02:50.514

Good morning everyone my name is Jal Patel.

23

00:02:51.264 --> 00:02:56.784

I'm an independent director on the board as well as the chairman of the audit committee,

24

00:02:57.384 --> 00:03:07.735

and the nomination & remuneration committee I am attending this AGM through video conferencing from my residence in Vadodara.

25

00:03:09.294 --> 00:03:18.895

I confirm that I can see and hear everyone. Thank you. Thank you Jal. Ms. Ryna Karani... Good morning.

26

00:03:18.895 --> 00:03:31.074

Everyone I'm Ryna Karani, Independent director and chairman of the Stakeholders' relationship and grievance committee. I'm happy to join this annual general meeting through video conferencing from my residence in Mumbai.. I confirm that

27

00:03:32.425 --> 00:03:42.534

I can see and I can hear everyone clearly.. thank you... Thank you and finally Mr. Anil Shankar

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00:03:42.534 --> 00:03:43.044

Good morning everyone,

29

00:03:45.955 --> 00:03:59.215

I am Anil Shankar, an Independent Director and Chairman of the CSR Committee. I'm happy to be attending this AGM via video conferencing from my residence in New Delhi. I confirm that I can see and hear you all

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00:03:59.215 --> 00:04:12.384

very clearly. Thank you. Okay. Thank you. We also have our managing director and CEO. Mr. Sanjiv Vasudeva, our Whole-time Director Mr. Nitankumar Duggal

31

00:04:13.735 --> 00:04:21.235

and our CFO Mr. Sanjeev Madan participating in this AGM through video conferencing from their respective locations.

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00:04:23.095 --> 00:04:35.845

I would also like to inform you that the representatives of the statutory auditors Price Waterhouse, Chartered Accountants and the Secretarial Auditor, Mr. Devesh Pathak are also attending the meeting through video conferencing.

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00:04:38.514 --> 00:04:41.845

The company has received the representation from its holding company,

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00:04:42.175 --> 00:04:43.944

INEOS Styrolution APAC,

35

00:04:43.944 --> 00:04:44.334

private,

36

00:04:44.334 --> 00:04:45.535

limited Singapore,

37

00:04:45.870 --> 00:04:49.045

holding thirteen million one hundred and eighty nine thousand,

38

00:04:49.074 --> 00:04:57.204

two hundred and eighteen equity shares equivalent to seventy five percent of the paid up capital of the company, appointing Mr. Rob Buntinx

39

00:04:58.314 --> 00:05:00.115

as its authorized representative.

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00:05:01.314 --> 00:05:04.795

Mr. Buntinx is attending the meeting through video conferencing.

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00:05:07.254 --> 00:05:17.305

The company has not received any other representation or authorization from corporate shareholders, in terms of Section 113 of the Companies Act, 2013.

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00:05:20.245 --> 00:05:30.654

Since this AGM is being held electronically through video conferencing mode, the physical attendance by members has been dispensed with on the requirements of appointing a Proxy is not applicable.

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00:05:31.944 --> 00:05:37.345

All the members who have joined the meeting through video conferencing will be counted towards the quorum.

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00:05:39.595 --> 00:05:42.685

The Register of directors and key management personnel,

45

00:05:42.894 --> 00:05:50.425

And their shareholding, the register of contracts or arrangements in which the directors are interested and the relevant documents referred to,

46

00:05:50.425 --> 00:05:57.115

in the notice will be available electronically for inspection by the members during the AGM on the investor tab.

47

00:05:57.144 --> 00:06:00.985

on the company's websites under notices and announcements.

48

00:06:03.444 --> 00:06:13.615

As the notice of the meeting has already been circulated, with the permission of the members, I would take the notice of the meeting as read Further,

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00:06:13.675 --> 00:06:14.995

I would like to inform you that,

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00:06:14.995 --> 00:06:23.665

since there are no qualifications / observations or comments or other remarks on the financial transactions from the statutory auditors,

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00:06:23.754 --> 00:06:27.564

and the secretarial auditors in their respective reports,

52

00:06:27.745 --> 00:06:30.415

which may have adverse effect on the functioning of the company.

53

00:06:30.805 --> 00:06:34.644

for the financial year, 2019-20, they are not being read.

54

00:06:37.975 --> 00:06:47.754

Dear Shareholders, on behalf of the Board, I would like to thank you for joining us today. Your presence is a testimony to your involvement and support for the company.

55

00:06:49.975 --> 00:06:53.754

The management team, and I will now bring you through the company's business performance.

56

00:06:55.915 --> 00:07:00.954

Firstly, review of operations during the year ended on March 31, 2020.

57

00:07:03.235 --> 00:07:15.115

The overall sales turnover of your Company decreased from INR 2090.5 Crore in the previous year to INR 1579 Crore.

58

00:07:17.064 --> 00:07:24.504

The Company observed approximately 24.5% decrease in the total revenue as compared to the previous year.

59

00:07:26.754 --> 00:07:37.764

Sales volume decreased from 155 kt in FY 18-19 to 136 kt in FY 19-20.

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00:07:40.045 --> 00:07:53.514

The Company's total income (including other income) was INR 1585.8 Crore for FY 19-20 as compared to INR 2103.

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00:07:53.514 --> 00:07:56.665

6 Crore for FY 18-19.

62

00:07:58.975 --> 00:08:10.464

The Company's Loss before tax for the year was INR 13.5 Crore as compared to Loss before tax of INR 18.5 Crore in the previous year

63

00:08:11.694 --> 00:08:23.305

whilst Loss after tax (before Other Comprehensive Income) was INR 9.5 Crore as compared to Loss after tax of INR 12.4 Crore in the previous year.

64

00:08:25.884 --> 00:08:30.204

The Company incurred losses during the financial year ended on March 31,

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00:08:30.204 --> 00:08:30.564

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66

00:08:30.564 --> 00:08:44.424

20 on account of provisions for certain exceptional items that the Company was required to make in respect of its leasehold properties and litigations and also due to slowdown in economy generally.

67

00:08:46.674 --> 00:08:55.495

The economic slowdown was worsened by the imposition of restrictions and a nation-wide lockdown in the month of March due to the spread of Covid-19

68

00:08:56.605 --> 00:09:05.514

resulting in the temporary suspension of all its manufacturing operations located at Moxi, Nandesari, Katol and Dahej in Gujarat.

69

00:09:08.514 --> 00:09:16.284

Due to the complete lockdown, the demand for Company's products remains muted which has impacted on profitability for the relevant period.

70

00:09:19.434 --> 00:09:32.095

The investment for increasing the capacity from 66KTA to 100KTA at Moxi plant in 2019, in tandem with the closure at the end of life Compounding assets at Nandesari,

71

00:09:32.725 --> 00:09:36.924

positions us well to meet customer demand and capture the market growth.

72

00:09:38.845 --> 00:09:49.495

Our organizational focus on key industry segments ensures a deep understanding of their needs and your company utilizes it's R, and D capabilities to develop new products.

73

00:09:49.615 --> 00:09:57.144

in the automotive, household and healthcare segments. In the second half of 2020,

74

00:09:57.144 --> 00:09:57.835

75

00:09:58.105 --> 00:10:02.394

we foresee a shift from mass-mobility due to social distancing,

76

00:10:03.384 --> 00:10:06.715

which we expect to promote demand for two wheelers and helmets.

77

00:10:07.254 --> 00:10:11.245

Although we expect to slower demand recovery in the four wheeler segment.

78

00:10:13.075 --> 00:10:27.804

Consumer spending on healthcare, packaged goods and household goods so choose washing machines, water and air purifiers are expected to increase post lock down and our product portfolio is well positioned to cater to these applications.

79

00:10:30.355 --> 00:10:39.504

On behalf of the board of directors, I am pleased to state that your company has met all the corporate governance standards stipulated under the SEBI listing requirements.

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00:10:42.384 --> 00:10:55.674

On dividend, with reference to the performance of the company and losses for the year ended March 31, 2020 as well as the impact of the social and economic slowdown due to the Covid-19 pandemic.

81

00:10:56.245 --> 00:11:02.065

The board has recommended that no dividend be distributed for a year and the March 31, 2020.

82

00:11:03.205 --> 00:11:08.335

The board is of the view that this is in the best interests of your company and the shareholders.

83

00:12:34.284 --> 00:12:47.304

On the e-voting, since the AGM notice has been taken as read, I would request Abhijaat to explain the e-voting process and also provide the objectives and implications in respect of all the resolutions, as required by law...Abhijaat

Thank you Steve..

I will now take you all through the voting instructions very quickly. In compliance with the Companies Act, 2013 as well as the SEBI LODR Regulations 2015, read with the recent circulars issued by the MCA and SEBI, shareholders have been provided access to the electronic e-voting facility managed by CDSL, to cast their votes remotely on all the resolutions set forth in the AGM notice. Shareholders who have not cast their votes through remote e-voting prior to the AGM, may now vote electronically through the e-voting system available on the website of CDSL throughout the AGM.

The Board has appointed Mr. Devesh Pathak, Practising Company Secretary, to act as Scrutinizer and he will scrutinize the remote e-voting as well as the votes cast at this meeting and provide a consolidated report.

Since the AGM is being held through videoconferencing and the resolutions have been / can be voted on only through e-voting, there would be no proposing or seconding of the resolutions.

I will just give you a short summary of the resolutions and their objectives and implications.

Resolutions for matters at Sr. no. 1, 2 & 5 are statutory in nature and pertain to adoption of financial statements along with Board's Report and Auditors' Report thereon. The second one is for reappointment of Mr. Nitankumar Duggal as a Director retiring by rotation.. And the fifth one is the ratification of the remuneration, for cost auditors, which requires shareholders' approval by way of ordinary resolutions.

The item number three pertains to special resolution for appointment of Deloitte Haskins & Sells as Auditors of the company for a period of five years.

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00:12:47.304 --> 00:12:56.455

That is up to conclusion of the fifty second AGM in 2025, which is in line with the decision of INEOS, to appoint Deloitte as auditors across the entire group.

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00:12:56.455 --> 00:13:05.575

Resolution and item no. 4 is again a special resolution for the re-appointment of Mr. Nitankumar Duggal as a Whole-time director for a period of three years from August 31, 2020 on the terms detailed in the explanatory statement.

86

00:13:05.575 --> 00:13:18.835

The Nomination and Remuneration Committee has recommended the appointment, and the Board has approved the appointment subject to shareholders' approval. Mr. Duggal heads the operations of all the plants of the company as a Whole-time Director. Thank you. Steve.

87

00:13:18.955 --> 00:13:22.764

Thank you Abhijaat, we will now proceed with the business listed in the AGM notice.

88

00:13:24.174 --> 00:13:24.355

So,

89

00:13:24.355 --> 00:13:28.945

since Abhijaat has already explained the objectives and implications of the resolutions,

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00:13:29.274 --> 00:13:32.995

I would now request the member who was registered his name to speak at the AGM,

91

00:13:33.774 --> 00:13:36.684

to share his comments / questions once his name is announced,

92

00:13:36.960 --> 00:13:39.445

and we will answer at the end of all the questions.

93

00:13:39.684 --> 00:13:51.924

Thank you. I'll be unmuting. Mr. Aspi Bhesania who's the only registered Shareholder - Mr. Aspi Bhesania - can you hear us? Are you able to speak.

94

00:13:54.534 --> 00:13:59.544

Can you hear me? Yes, it's a little low. Mr. Bhesania can you? I'll probably put up the volume a bit.

95

00:14:10.884 --> 00:14:20.845

Audio is not happening, nobody's able to hear you, but it's, it's a little slow. You don't your video video is not happening.

96

00:14:22.254 --> 00:14:27.985

Okay so we had okay and let me just try.

97

00:14:31.825 --> 00:14:45.445

Just give me a second. Yeah and then we do Mr presenter. Can you unmute your video?

98

00:14:45.445 --> 00:14:58.434

Please this thing starts. Yeah.

99

00:15:01.919 --> 00:15:12.534

Then you can see,

100

00:15:12.534 --> 00:15:12.894

you know,

101

00:15:25.884 --> 00:15:26.695

we can't hear you.

102

00:15:33.534 --> 00:15:39.235

Can you hear me now? Slightly better but not clear.

103

00:15:39.235 --> 00:15:53.784

Why nobody wants to attend your AGM ? When you send E mail about speaking please send the speaker number. Because there's one more meeting scheduled at eleven o'clock.

104

00:15:55.705 --> 00:16:04.764

Okay.. Sir, the income for the first quarter versus the income for the year on year. So, what is the reason for that?

105

00:16:05.845 --> 00:16:16.014

And, and can we have some road map for the next two years and why there's a loss and the reduction an income. That's what I wanted to know.

106

00:16:16.524 --> 00:16:31.434

And what was the reason for rejecting the delisting offer? just because it was too high? Sir thank you and all the best. Okay, thank you Mr. Bhesania... Maybe Sanjeev Madan...

107

00:16:31.465 --> 00:16:46.254

If you want to address the income and the loss questions. Yeah, sure. So, Mr. Bhesania our income has reduced from the last year or the. That's what I have understood.

108

00:16:46.254 --> 00:16:57.684

Your question... is it right? Because you're right quarter first what? The first quarter of this year 2019-20 ?

109

00:17:05.065 --> 00:17:17.454

So the first quarter is basically if you're asking your question first quarter of this year, that's mainly because of the Covid-19 situation and the plans were under lockdown... all the plants.

110

00:17:17.454 --> 00:17:32.424

As per the government direction, and the gradually, we have started up our plants by end of May and June we have started up. And so essentially it is the more or less the one month sale. You can say.

111

00:17:32.694 --> 00:17:32.875

So,

112

00:17:32.875 --> 00:17:35.454

because of the Covid-19 pandemic situation,

113

00:17:35.994 --> 00:17:43.134

our revenue in the first quarter was less and the next question was pertaining to your,

114

00:17:43.884 --> 00:17:49.464

the losses in the last year..this was majorly as explained by the Chairman.

115

00:17:50.424 --> 00:17:58.734

This is mainly because of the exceptional items related to one of the provisional order related to the leasehold land

116

00:17:59.125 --> 00:18:01.555

And based on the said provisional order,

117

00:18:01.555 --> 00:18:10.075

the company has reviewed other similar leases for potential liability and accordingly based on the assessment and the best estimates that we had provided during the year.

118

00:18:10.795 --> 00:18:23.755

Yeah. So this is about the profits of the full year and related to the dividend maybe our chairman Mr. Steve Harrington can talk about.

119

00:18:26.095 --> 00:18:36.954

Yeah, before that before that, maybe I'll take your third question, which was more around the roadmap. Right? How do we see ? so we see a pretty good recovery. In fact, we see a V-shape recovery..

120

00:18:37.289 --> 00:18:46.734

Post Covid, especially in the two wheelers, as you would also see in the news. That is a very good recovery with all the big OEMs.

121

00:18:47.244 --> 00:19:00.744

The four wheelers relatively have a slower recovery and the two wheelers are predominantly driven, because in the all the metro cities, the metro rail is not working so people are preferring to have the individual transportation to maintain social distancing.

122

00:19:01.049 --> 00:19:05.125

So that has really helped and also there is a good demand from the rural segment.

123

00:19:05.154 --> 00:19:05.365

Yeah,

124

00:19:05.515 --> 00:19:09.684

because of the good monsoon so we see a good uptake there.. Also,

125

00:19:11.369 --> 00:19:11.664

you know,

126

00:19:11.694 --> 00:19:13.315

People, because they are staying home,

127

00:19:14.065 --> 00:19:21.684

we see more buying of washing machines, air purifiers etc. and so we are facing very healthy recovery.

128

00:19:21.744 --> 00:19:34.404

So, I would say on a hundred, we are at least eighty percent back to normal and going forward, at least for the coming foreseeable few months, the recovery to be very positive.

129

00:19:35.065 --> 00:19:41.664

And then, as and when the whole Covid situation improves.. hopefully, by the beginning of next year.

130

00:19:42.059 --> 00:19:55.464

You know, the, the market will become much more steadier and growth in general will be in line with the market growth in the country and all the

economic recovery. So we are much optimistic that the worst is behind us.
Yeah ..Thank you.

131

00:19:55.795 --> 00:20:04.134

I'll hand it over to Steve can talk on the delisting..Thanks
Sanjiv..That's a good overview there.. finally on the dividend.

132

00:20:05.184 --> 00:20:12.684

I mean, it was in principle, you know, I'm talking on behalf of the
promoter here still have interest to acquire hundred percent of the
company.

133

00:20:13.825 --> 00:20:24.714

They felt that the discovered price was so far above our indicative price
and hence, it wasn't a worthwhile process to make a counter offer.

134

00:20:25.134 --> 00:20:36.085

And then my understanding, on behalf of the promoters is that they don't
intend to restart the process in the short term.. what was the price on
your mind?

135

00:20:38.275 --> 00:20:52.315

I mean, obviously, all I would say is that it was, significantly lower
than the discovered price so we didn't think it was a worthwhile process.
And again, you know, that's the decision really for the promoter ...not for
the India business.

136

00:20:53.154 --> 00:20:56.035

I thought this was second time that the delisting has failed..earlier also
you had made an attempt ...isn't it

137

00:20:57.990 --> 00:21:11.005

Right?

138

00:21:14.095 --> 00:21:28.615

So, I, I couldn't hear you ..could anyone else get that question?..he's
asking that we have attempted delisting earlier so, this was the second
attempt yes. Mr. Bhesania that's correct. This was..Both times you
failed..so the next time you should not attempt..you continue to remain
listed.

139

00:21:32.634 --> 00:21:37.434

Duly noted Thank you. Okay.

140

00:21:42.299 --> 00:21:45.865
Okay, so its the end of all the questions.

141
00:21:50.694 --> 00:22:02.785
Okay, thank you for all your comments yes just given that.

142
00:22:05.454 --> 00:22:17.214
Okay. I think that's better.. ladies and gentleman we are done with all comments and questions ... we have a really bad echo here.

143
00:22:17.214 --> 00:22:23.065
So, please mute everyone... who is not speaking...also the panelists.

144
00:22:30.204 --> 00:22:43.164
Okay, if there are, any further clarifications required.. *please get in touch with the Company Secretary and we will respond to you as appropriate.. Now, I would request Mr. Devesh Pathak, Scrutinizer, to once again share the E-voting instructions in brief.*

145
00:22:51.234 --> 00:22:58.734
Thank you Mr. Steve. It's my pleasure to share instructions relating to e-voting at this.

146
00:22:58.974 --> 00:23:06.865
AGM...Those who have already voted *are not entitled to e-vote at the AGM. However, if voted, would be disregarded..*

147
00:23:13.884 --> 00:23:28.375
Secondly, those who have logged in to attend this meeting can only vote..otherwise directly they can't vote

148
00:23:29.279 --> 00:23:39.865
And now we are starting this e-voting right now onwards and it will be open for fifteen minutes. Thank you.

149
00:23:44.875 --> 00:23:51.684
Thank you...I now bring this meeting to a close. The results of the voting will be announced on or before the 29th,

150
00:23:51.684 --> 00:23:52.434
of August 2020,

151
00:23:52.434 --> 00:24:00.265

And the same will be intimated to the stock exchanges and also uploaded on to the company's website as well as cds1's website.

152

00:24:02.305 --> 00:24:14.214

I gratefully acknowledge the presence of directors and auditors at the meeting and last, but not least, I would like to thank the shareholders without whose virtual presence and participation, this meeting would not have been possible.

153

00:24:14.964 --> 00:24:20.154

Thank you for your time and involvement, and I wish everyone safe and healthy times ahead. Thank you.