



TRANSCRIPT OF 13TH ANNUAL GENERAL MEETING OF ROSSARI BIOTECH LIMITED HELD ON FRIDAY, JULY 15, 2022 AT 11.00 AM THROUGH VIDEO CONFERENCE

Members are present in the AGM through Video Conference:

Sr. No	Name	Designation
1.	Mr. Edward Menezes	Executive Chairman
2.	Mr. Sunil Chari	Managing Director
3.	Mr. Aseem Dhru	Independent Director
4.	Mr. Goutam Bhattacharya	Independent Director
5.	Ms. Meher Castelino	Independent Director
6.	Mr. Robin Banerjee	Independent Director
7.	Major General Pachory VSM (Retired)	Independent Director
8.	Mr. Manoj Dama	Authorized representatives of M/s. Deloitte Haskins & Sells LLP, Statutory Auditors of the Company
9.	Mr. Praful Dharod	Authorized representatives of M/s. Deloitte Haskins & Sells LLP, Statutory Auditors of the Company
10.	Mr. Sanjay Dholakia	Authorized representatives of M/s. Sanjay Dholakia & Associates, Company Secretaries, Secreterial Auditor and Scrutinizer
11.	Mr. Ketan Sablok	Group - Chief Financial Officer
12.	Ms. Manasi Nisal	Chief Financial Officer
13.	Ms. Parul Gupta	Company Secretary

Welcome Speech by Parul Gupta, Company Secretary

Good morning all of you. I would like to welcome all of you to the 13th Annual General Meeting of Rossari Biotech Limited. Before we start the proceeding of this meeting, I would like to take you through certain points regarding the joining of this meeting through video conference. The facility to join through video conference and other audio-visual means has been provided to all the members on first come, first serve basis. The members who have joined this meeting has by default has kept on mute for the avoidance of any disturbance and seamless conduct of this meeting.

Once the question-and-answer session will start, moderator will announce the name of the registered speaker one by one. The speakers are requested to turn on their videos and audios, if for some reason any speaker is not able to join through video mode, they can join the meeting through audio mode. And if there due to any connectivity problem, any speaker is not able to speak, the moderator will put that speaker on mute and announce the name of the next speaker. That muted speaker shareholder will be unmuted once other all other registered speakers will complete their turn.

We request all the members to keep their questions limited to the matters of this meeting and confine their comments for the business item of this notice. Members may note that the Company reserves the right to limit the number of Members asking questions depending on the availability of time for this meeting. The notice of 13th Annual General Meeting has already been circulated to all the members through email and is available on the website of Company, Stock Exchanges and our Registrar and Transfer Agent Link Intime India Private Limited.

Detailed procedure and instruction for joining this meeting has been provided in the notice of AGM. Registrars documents and records as required for the purpose of inspection are available electronically during this meeting. During the AGM if any member faces any query or any issues, he may contact the helpline number provided in the AGM notice.

With this now I request Mr. Edward Menezes, our Chairman to take over the proceeding of the meeting. Thank you. Over to you Sir.

Edward Menezes, Executive Chairman

Thank you, Ms. Parul. And good morning to all our valued members. At the outset, I welcome all the shareholders who are present through video conferencing at this AGM. For precaution and safety of members, your Company has made arrangements for the shareholders to join the meeting through video conference in compliance with the directions given by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

As the requisite quorum is present at this AGM, I call the meeting to order. I now request all the Directors including myself who are present at the meeting through video conference to introduce themselves.

I, Edward Menezes, Chairman of your Company. I'm attending the meeting through video conference from the Registered Office of the Company at Kanjurmarg, Mumbai.

First, may I request Mr. Sunil Chari to introduce himself.

Sunil Chari, Managing Director

I, Sunil Chari, Managing Director. I'm participating in the 13th Annual General Meeting through video conference from my home at the Hiranandani, Powai.

Edward Menezes, Executive Chairman

Mr. Aseem Dhru, please.

Aseem Dhru, Independent Director

I, Aseem Dhru, Independent Director and Chairman of the Audit Committee. I'm attending the meeting through video conference from my office in Andheri, Mumbai.

Edward Menezes, Executive Chairman

Ms. Meher Castelino, please.

Meher Castelino, Independent Director

Meher Castelino, I am the Independent Director of the Company. I am participating in the 13th AGM through video conference. I am the Chairperson of the Corporate Social Responsibility Committee.

Edward Menezes, Executive Chairman

Mr. Goutam Bhattacharya, please.

Goutam Bhattacharya, Independent Director

I, Goutam Bhattacharya, Independent Director of the Company and I am participating in the 13th AGM of the Company through video conferencing. I am the Chairman of the Stakeholders Relationship Committee.

Edward Menezes, Executive Chairman

Mr. Robin Banerjee, please.

Robin Banerjee, Independent Director

Hi, good morning, all of you. I am Robin Banerjee, Independent Director of your Company attending the 13th AGM via video conferencing from Indore. I am the Chairman of the Nomination and Remunerations Committee of your Company.

Edward Menezes, Executive Chairman

General Sharabh Pachory, please.

Maj. Gen. Sharabh Pachory (VSM) Retd., Independent Director

Good morning. I, Maj. General Sharabh Pachory, VSM Retired, Independent Director of your Company. I am attending the 13th Annual General Meeting through video conference from U.S.A in Dallas, Texas from my daughter's residence.

Edward Menezes, Executive Chairman

Thank you, dear members. Members, please note that Mr. Aseem Dhru, Chairman of the Audit Committee; Mr. Robin Banerjee, Chairman of the Nomination and Remuneration Committee; Mr. Goutam Bhattacharya, Chairman of the Stakeholders Relationship Committee; and Mr. Sunil Chari, Managing Director are present at this meeting through video conference or other audio visual means.

Apart from the Directors, Mr. Ketan Sablok, Group Chief Financial Officer; Ms. Manasi Nisal, Chief Financial Officer; and Ms. Parul Gupta, Company Secretary are present at this meeting through video conference. Mr. Manoj Dama, and Mr. Praful Dharod, authorized representatives of Deloitte Haskins & Sells LLP, Statutory Auditors of your Company are also present here in the conference room. Mr. Sanjay Dholakia, Secretarial Auditor of your Company is also present through video conference.

The Company has received three letters from corporate members, appointing their representatives under Section 113 of the Companies Act 2013 aggregating to 32,36,200 equity shares of Rs. 2 each representing 5.88% of the total paid up equity share capital of your Company. Since there is no physical attendance of the shareholders, the requirement of appointing proxy is not applicable. The statutory registers and certificates are required to be kept under the Companies Act, 2013 for inspection are available for inspection electronically during the meeting.

Now, let me take this opportunity to report back to you on your Company's accomplishments. On behalf of the Board of Directors of the Company, it is a great honor and privilege for me to extend a very warm welcome to each of you at the 13th Annual General Meeting of your Company. Amidst a challenging and unpredictable year, it gives me immense pleasure to share that at Rossari, we have delivered an encouraging performance. I'm extremely proud of how our team excelled, rose to the challenges, despite a turbulent business environment and produced an outstanding performance.

Our acquisitions during the year opened up a plethora of opportunities for us to enhance, adapt and grow in the specialty chemical space. Together, these developments have perfectly modeled how able, stable and sustainable we are. As we move ahead, our focus is on building an inspiring and responsible corporate entity that actively contributes to building a safer world for our generations today and tomorrow.

Rossari Biotech Limited started its journey in the year 1997 as a pioneer in the Indian specialty chemical space with a few products catering to textile industry. In the year 2003, Mr. Chari and I started a partnership firm in the name of Rossari Labtech to provide customized solutions to our customers in a cost and time efficient manner. It was further renamed as Rossari Biotech Limited and converted into a company in 2009.

On 23 July, 2020, Rossari was successfully listed on the stock exchanges. I'm happy to announce that Rossari Biotech Limited is going to complete 25 years on the 23rd of July 2022. Your Company has maintained its leadership position in the specialty chemical segment and continues to consolidate its preferred supplier status among leading end user customers and brands.

At Rossari, we developed a strong and sustainable foundation in the year 2020-21. All we needed was a little push to unlock the next orbit of growth, that came with our strategic acquisitions during the Financial Year 2021. Our acquisitions of Unitop Chemicals and Tristar Intermediates, along with the investment in Romakk Chemicals has not only expanded our capacities and unlocked synergies, it has also opened up opportunities for technology and knowledge sharing cross selling of products, development of new product lines in adjacent specialty chemicals divisions, as well as expansion of the customer base and target geographies.

Our acquisitions are expected to strengthen Rossari's position in the Indian specialty chemicals space and unleash our full potential. Unitop Chemicals is engaged in the business of manufacturing of surfactants, emulsifiers, and specialty chemicals with a total production capacity of 86,000 metric tons per annum. The Company provides customized and innovative solutions to the agro chemicals and oil and gas space.

Tristar Intermediates is engaged in the business of manufacturing and supply of preservatives, aroma chemicals, and home and personal care additives with a total production capacity of 15,000 metric tons per annum. Romakk Chemicals is engaged in the business of manufacturing and sale of silicone oils and its derivatives in a range of emulsions derived from silicone oils and its derivatives across all industries. This will further strengthen the Company's presence in the textile, home and personal care segments.

The last financial year, we combined the power of our four pillars of chemistries, that is surfactants, acrylics, silicones, and enzymes with the force of our four levers of growth, which are R&D capabilities, agile and fungible manufacturing facilities, digitization and innovation, and intelligent application of knowledge to build a foundation that is able, stable and sustainable. The combined strength of our four pillars of chemistries with the four levers of growth, multiplied with our acquisitions and makes us ready for the future.

To strengthen the senior management team during the Financial Year 2021-22, we have on boarded a new CEO for driving growth across the group through integration of newer businesses with the group. Our Group CFO with a rich background in specialty chemical business and inorganic growth will help Rossari streamline processes and systems thereby building efficiency and productivity. Our new CIO is responsible for transforming the group through integration of digital upgradations of all business verticals, thereby leading us to the next phase of growth.

The future if you ask me is both stable and sustainable. With the global focus shifting from China, India is emerging as a powerful player in the specialty chemicals domain. The rising demand for health and wellness related products backed by improved economic activities and India's low cost producer attribute has contributed to the increased demand for specialty chemicals in India.

Given our Company's diverse range of product offerings, fungible and flexible production capacities and ability to consistently develop diversified products for our growing client base, Rossari is well positioned to capitalize on these significant growth prospects.

During the financial year, we witnessed improved traction in engagements with several new and existing customers across various industries, thereby leading to a healthy uptick in all business verticals. Looking ahead, we anticipate ample growth potential for all our business verticals, and acquired businesses in both the domestic and international markets.

Furthermore, the stabilization of the raw material environment and demand scenario is also likely to help maintain our Company's momentum in the future. With our focus on consistently growing our abilities through opportunities that add to our stability, we are hoping the coming years to bode well for Rossari.

Moreover, our special attention to growing our business sustainably, while adopting sustainable ways of manufacturing indicates our unshakeable commitment to supporting our planet's life support systems. We were, are and will always be keen to promote and adopt sustainability as the catalyst to a safe future.

Our Company is committed towards the society at large. Corporate social responsibility in Rossari is not just about the legal obligation, but also about working towards improving the lives of communities we touch. Rossari has initiated and implemented a number of CSR programs for improving the life of largely underprivileged people, for community living, education, health, skill development, rural development, environmental sustainability, women empowerment, promotion of sports, etc.

Our culture enables us to pursue our mission with a growth mindset. It's a continuous practice of learning and renewals. I wish to thank my colleagues of the board and team of Rossari Biotech for responding positively to an unprecedented challenge. And most of all, I thank our shareholders for the confidence and faith reposed by them in the board and the management team, which has in my view geared up to take on more challenges.

I can say with confidence that our Company will improve its performance further in the coming years. This is however only possible through tireless efforts, dedication and commitment of our team who have helped us reach where we are now and look forward to their continued commitment in the journey forward.

Now, I request Mr. Sunil Chari, our Managing Director to give a brief to the members on the performance of the Company for the Financial Year 2021-22.

Sunil Chari, Managing Director

Good morning, everyone. A warm hello to everyone and I hope you and your families are all doing well. The year definitely was challenging for most of us with continued disruptions in pricing and supply chain. But despite these trials, we at Rossari were able to maintain our position as a leading specialty chemical manufacturer in India. Our ability and responsiveness to capture opportunities, while constantly evolving our offerings has helped us to get trusted and dedicated partner for our customers, clients, and end users across all our business divisions.

On the operational front, on a consolidated basis, our revenue has grown 109%. And on a standalone basis, we grew a solid 55% year-on-year in Financial Year 2021-22. Our key strategy during the year was of our sales in Rossari during the volatile times, so as to maintain our absolute margins. And secondly, to ensure seamless integration of all acquisitions. I think on both these fronts, we have been quite successful.

Our Dahej plant has become fully operational towards financial year 2021, and the additional capacity helped us to push higher volumes during the year leading to stronger revenue growth. Also the acquisitions happened at the right time and their effective integration helped us to navigate successfully during this challenging year. If you see over the last two years, that is if we compare financial year 2020, we were able to more than double our revenue, and increase our EBITDA by almost 75% on consolidated basis.

The Company registered a consistent performance during the financial year owing to increase demand and traction across all businesses. The revenue for the Financial Year 2021-22 stood at Rs. 14829.74 million on a consolidated basis, up from Rs. 7093.45 million in 2020-21. Our organic revenue growth is attributed to strong customer gains in the year. Home, Personal Care and Performance Chemicals division grew by 142% and generated Rs. 9,661 million in sales accounting for 65.15% of total revenues, followed by Textiles Specialty Chemical division at Rs. 4,047 million with growth of 61% and accounting for 27.29%, and Animal Health and Nutrition division at Rs. 1,121 million with growth of 92% and accounting for 7.56% of total revenues.

On the profitability front, EBITDA stood at Rs. 1834.43 million in 2021-22 up from Rs. 1235.44 million in the previous fiscal. In 2021-22, the EBITDA margin stood at 12.3%. We expanded our capacities to an optimum level. Our utilizations levels are at 65%, leaving enough room for us to prepare for increasing demand. We believe in under promising and over delivering, since the IPO our turnover has more than doubled in a year. However, the margins are affected due to the raw materials and supply chain disruptions.

Going forward, we expect to see a healthy rise in consumption demand and steady margins with raw material pricing and freight costs returning to normal. We expect a positive impact on our profitability. Our subsidiaries are expected to make a significant contribution in 2022-23. Furthermore, the exports that accounted for on 10% of the entire top-line in 2021-22 are expected to almost double in 2022-23 due to enhanced production facilities.

On the balance sheet front, we continue to remain very strong. Even after undertaking organic and inorganic expansion through the year. Our balance sheet profile remains very healthy. We continue to be net cash positive and our net cash position is at Rs. 52 crores at the Group Level. Our working capital position remains strong, in spite of substantial revenue growth. Overall our working capital cycle has been intact, which I think given the current situation, and the way we have grown is commendable.

So overall the Company's financial position remains healthy. Over the longer term, we will pursue or defined strategic initiatives, while always maintaining financial discipline. In a normalized environment, we look forward to delivering a strong and sustainable growth. In line with our Company guidelines of dividend policy, we are pleased to share that the Board of Directors has recommended a Final Dividend of Re. 0.5 per share for Financial Year 2021-22.

I hope I have been able to give you a good overview of our financials. Our Annual Report, Financials, Board and Auditor's Report thereon are all available on our website. In case you have any suggestions or comments, please do reach out to us with them. Thank you.

On that note, I would hand over the procedure back to our Chairman, Mr. Edward Menezes.

Edward Menezes, Executive Chairman

Thank you, Mr. Chari. Now I request the Company Secretary to provide a summary of the Auditor's Report.

Parul Gupta, Company Secretary

Thank you Sir. The statutory auditor Deloitte Haskins & Sells LLP and Secretarial Auditor, Sanjay Dholakia & Associate has provided an unqualified report for the Financial Year 2021-22. There were no qualification, observations and adverse remarks which has on the financial statements and matters, which has any material billing on the functioning of the Company. Copies of the Atatutory Auditors Report as well as Secretarial Auditors Report were circulated to all the Members along with the part of Annual Report. Over to you, Sir.

Edward Menezes, Executive Chairman

Thank you, Ms. Parul. Now, let me get back to the AGM proceedings. The Company has made necessary arrangements for remote e-voting in accordance with the applicable provisions of the Companies Act, 2013 to enable the shareholders to vote on the items to be considered at the AGM. The remote e-voting commenced from 12th July, 2022 (9:00 A.M. IST) and concluded on 14th July, 2022 (5:00 P.M. IST) as mentioned in the notice of AGM.

The facility of e-voting is also provided at the meeting for those members who have yet not voted. Members may visit the link for e-voting page InstaMeet and cast their vote by viewing the proceedings of the meeting. As the notice and Annual Report is already circulated to all the Members, I take the notice, Statutory Auditor's Report, Secretarial Audit Report and Boards' Report as read. We will now take up the resolutions as set forth in the notice.

The AGM is being conducted through video conference and the resolutions being considered are:

1. Adoption of the Audited Financial Statements (Both Standalone and Consolidated) of the Company for the Financial Year ended on 31st March, 2022 and the Reports of the Board of Directors and Auditors thereon.
2. Declaration of Dividend for the Financial Year ended on 31st March, 2022.
3. Appointment of a Director in place of Mr. Edward Menezes (DIN: 00149205), who retires by rotation and being eligible, offers himself for re-appointment.
4. Continuation of directorship of Mr. Goutam Bhattacharya, Director in terms of Listing Regulations
5. Alteration/Deletion of Main and Other Object Clause of the Memorandum of Association of the Company
6. Material Related Party Transaction(s) with Unitop Chemicals Private Limited
7. Ratification of remuneration payable to M/s. R. Shetty & Associates, Cost Auditors of the Company

As mentioned in the notice, the resolutions are put to vote through remote e-voting and e-voting during the AGM. Mr. Sanjay Dholakia, practicing Company Secretary has been appointed as the scrutinizer to scrutinize the e-voting at the meeting and remote e-voting process in a fair and transparent manner. He's also present at the meeting through video conference.

Now if any member deSires to ask any other questions pertaining to any item on the notice, he or she may do so now. The moderator will facilitate the question-and-answer session. I would request the moderator to open the forum for members to seek clarifications and ask questions.

Question-and-Answer Session

Moderator

Thank you, Chairman Sir. I request the members to keep their question brief and specific and confine their comments to the business items set out in the notice. Please remember your speaking serial number which will be appearing in the voting registration message, once you mark your attendance for the meeting. Members are requested to start the conversation with the panelists by switching on video mode and audio of your device. The question will be answered by the panelists one by one. Now we will start the Q&A session. Our first speaker for the event is Mr. Satish Shah.

Q - Satish Shah

Hello.

A - Edward Menezes

Yes, good morning Mr. Satish.

Q - Satish Shah

Okay. Good morning Sir, Sabse pehele toh mein Company ke liye itna kehena chahata hu ke pachisva (25) saal jo Company ka chal raha hai uske liye apko bhaut badhai. Aur Sir, apne apni Chairman's speech mein Company ke baare mein bhaut hi aachi taraha se samja diya hai. Rossari has brilliant professional. Yeh saal Company ka performance aacha raha aur aapne Dividend bhi diya, aur jo IPO price tha use bhi aacha apna market price hai uske liye hume khushi hai. Sir, aapne jo bhi resolution rakha hai usme mera pura support hai. Thank you. Wish you all the best. Thank you.

A - Edward Menezes, Executive Chairman

Thank you, Satish Ji.

Moderator

Thank you so much Sir. Now, I invite Ms. Lekha Shah.

Q - Lekha Shah

Hello, can you hear me Sir?

A - Edward Menezes, Executive Chairman

Yes, good morning, Ms. Lekha. We can hear you loud and clear.

Q - Lekha Shah

Very Good Morning Sir. Respected Chairman Sir, Board of Directors and my fellow members, good morning to all of you. Myself, Lekha Shah from Mumbai. First of all, I'm very much thankful to our Company Secretary, my favorite Company Secretary, Parul ma'am and Manasi ma'am for extending very good investor services, and also sending me the AGM notice well in time, which is full of knowledge, facts and figures in place. So, I'm very grateful to our Company Secretary, Parul ma'am and also, our CS team always answered all my calls, and have happily cleared all my doubts.

Once again, thank you so much Parul ma'am. Sir, I would thank all the person of Company for receiving awards and recognition by the various plan during the year 2021-22. And also, I'm glad the Company is doing very well in the field of CSR activities. Thank you, Chairman Sir, for explaining us well about the Company. Congratulation for excellent work Sir. Sir, I pray to God that he always showers his blessing upon you. Sir, I'm confident that with your vision and determination, you will lead our Company to greater height. And also, I pray to God, our Company should progress more and more under you and your team Sir. I'm proud to be a shareholder of this Company. Sir, I would like to ask few questions.

My first question is, How many new products launch for the export and domestic market and who are our customers? My second question is, do we face problems regarding availability of raw material, and from which country it is imported? My third question is how many professional as working for our R&D tenders? So I would like to say I strongly support all the resolutions for today's meeting, and my best wishes, always for our Company and its prosperity. Thank you, Sir.

A - Edward Menezes, Executive Chairman

Thank you, Ms. Lekha. To answer your first question and thank you for the good words that you said for your Company. To answer your first question, how many products were launched, both for import and domestic markets. As you know, the Company works in three different businesses, the animal health and nutrition, the textile specialty chemicals and home and personal care and performance chemicals. In total, this year the Company has launched over 40 products both in exports and the domestic market, out of which a few of the products have come from the synergies that we had with Unitop, Tristar and Romakk Chemicals.

To answer your R&D question, we have over 40 scientists working at the Center of Excellence at IIT Mumbai. So, we are one of the very few companies whose R&D is placed inside the IIT campus and there we have almost 10,000 square feet of area available to us with high end equipment for all our R&D activities. In R&D, we have almost 40 plus scientists and our R&D spend generally is in the region of 1% to 2%.

For the raw material part of it, as you know, the last year has been very turbulent and the supply chain was disturbed because of various macroeconomic considerations. However, this supply chain has now become normalized and we feel that in the future, this is going to be normalized. Thank you, ma'am.

Moderator

Thank you so much Sir. The third speaker for the event is Mr. Bimal Panchal.

Q - Bimal Panchal

Hello.

A - Edward Menezes, Executive Chairman

Good Morning Sir.

Q - Bimal Panchal

Okay, now first of all, best wishes for the entering into the Silver Jubilee year. And at the outset, we congratulate the management for highest ever sales and profit, though on some parameters like EBITDA and return on equity there was some pressure. But looking at the turbulent time and all these things, whatever has happened in the last two years, it can be termed as a very excellent result we have posted Sir. For a Company like, in our -- balance sheet has been prepared with very much enthusiasms and good effects has been spent on the preparations of the balance sheet.

Sir your one-on-one with Chairman on page number 10 to 13 plus your opening Chairman speech and MD's communication on page number 14 to 15, it covers almost all the questions that comes into the mind of investors and overall, it is very optimistic and gives the correct guidance of the future. Sir also the management discussions and analysis from page number 106 to 107 is just like management's, it has also been prepared with very much efforts. Sir, hello.

A - Edward Menezes, Executive Chairman

Yes, yes, please go ahead.

Q - Bimal Panchal

Okay. Sir a little attention is invited on our labs by the auditor, little labs, on page number 134, serial number F, where in there forget to mention the amount of 206, is it Lakhs Rs. 1000 crores. Though it is understood on the previous page they have to properly mentioned it is in million, but lakhs is whether it is auditor by, the auditor doesn't spare us, so while we should spare the auditor, that is a question. You don't have to give an answer of this, but we got the answers. So our CSR spend is very well diversified and highly appreciated Sir. Sir attendance record by all Directors in all meeting is also highly appreciative Sir. Sir, I got a few questions Sir.

A - Edward Menezes, Executive Chairman

Yes, please.

Q – Bimal Panchal

During the year, Rossari has acquired a controlling stake in Unitop, Tristar and Romakk Chemicals, is managing, contemplating to acquire Resideo Tech from the present shareholders, that is one. Another, Sir we have Rossari Center of Excellence, R&D Center at IIT Bombay. So what are the advantages of keeping these away from manufacturing unit, and are there any risk involved in keeping at those premises just before in a previous shareholder's query you've answered a little bit, but I would like to know what are the benefit as well as the risk factor in keeping at different place? Because I've seen this kind of different look as in IIT gives any – IIT Bombay gives any input or something like that. Sir during the year 2020, the Company has incurred CapEx of Rs. 1008 million and during the year 2021-22, Rs. 304 million. Sir can you give any guidance for the CapEx for the next one or two years?

Yes, another question is, Sir our Forex income as well as outgo has increased substantially and due to that considerably because of that we have gained a little gain of Rs. 30 million and looking at the rupee falling, so this trend is likely to continue Sir and is management evaluating any plans to increase footprint in overseas market. And Sir, we have very well diversified product for our portfolio. So is our name Rossari Biotech properly reflect, is properly a reflection of all products or it just only biotech, biotech or it covers only pharma sector. So just I want to know, what is our coverage of this thing?

Sir I'm interested in visiting the plant if you could arrange for all the center on account of this Silver Jubilee year, I will be happy to visit some. Sir our secretarial department and our registrar and transfer agent, Link Intime they're doing all excellent Investor Services and I support all the resolutions and I wish all the best to the Company in the years to come. Thank you very much, Sir.

A – Edward Menezes, Executive Chairman

Thank you, Mr. Bimal. Mr. Chari, would you like to take one of the questions?

A - Sunil Chari, Managing Director

No, Edward, you can continue here.

A - Edward Menezes, Executive Chairman

So, to your question on the R&D Center and Excellence being set up at IIT Mumbai, actually, we consider this a big feather in our cap. It is rare that IIT Mumbai or the IITs or the leading institutes of the country invite industry to set up their R&D there. The main advantage of this is the ecosystem. So, if you look at IIT, once you are inside the IIT complex, the entire ecosystem is available for use to Rossari.

For example, the IIT libraries if you want any advice from the Professors -- enough Professors, that is available as well as all the equipment that is in the IIT Monash Academy building, all those equipment's are also available for testing and these are really expensive equipment's like atomics spectra, HPTLCs, GCs, etc. IPCs various different kinds of equipment are available to the Company for testing at a moment's notice.

Apart from that, any other equipment that is required or any other tests that are required for the Company to perform, they can request the other laboratories which are within the ecosystem for our testing purposes. So, the ecosystem itself helps the Company a lot because it motivates them and motivates all the scientists because the scientists are now in a very academic kind of a research environment.

So, the risk -- there are no risks involved in the sense that the entry into the premises is completely a private as well as we have one complete floor to ourselves. So therefore, there is no risk from IIT and since it is a research institute, their integrity is safer than an industrial base.

For the question on acquiring the remaining stake of Unitop Chemicals and Tristar, yes we will be acquiring the remaining stake by making payment in the second tranche and in three tranches actually. The second tranche is now due in August and the third tranche will be due in August next year when we will be acquiring both 100% of Tristar as well as Unitop Chemicals.

In the case of Romakk, we will be just holding a majority stake. From the CapEx point of view, like we said and like Mr. Chari said in his speech, the facility at Dahej is up and running only in the last year, and therefore, this will provide facility for us for the next one to two years. So, there is no large CapEx planned in the next one to two years. Whatever CapEx we will be doing will be for maintenance or for addition of some equipment that is required by the Company. Can Mr. Ketan answer the Forex part of it?

A - Ketan Sablok, Group – Chief Financial Officer

Yes, on the Forex side I think the gains which have come are on the normal business cycle income. We're not doing any kind of specific speculation kind of transactions on the foreign currency front. And as such we do not have a significant exposure on the foreign currency side. We are in fact naturally hedged with higher exports and lower imports and I think whatever income or expense will come on this front will be due to the normal transactional activities. No, so we cannot give you any guidance on whether we will be having any income or loss on the foreign exchange side.

A - Edward Menezes, Executive Chairman

Thank you, Ketan. For the export market, increasing the footprint in the overseas export market. Yes, since the last year when the world market has opened up, Rossari has taken very concrete steps to expand their presence in the overseas market. Recently, we have taken part in an exhibition in the U.S. for silicones as well as for other surfactants. And we have formed a core group now within Rossari, which will focus on the export markets.

Your question on Rossari Biotech name whether it really reflects what we are doing. Most people think that 'Biotech' means 'Pharma', but I'm pleased to explain to you or inform you that biotech is used in all specialty chemicals today. For example, in textiles biotech is used in washing of denim, in cleaning of fabric. In laundries, you use a lot of biotech-based products or biochemicals, which going to cleaning of stains.

In animal health and nutrition, we have a lot of probiotics, we have a lot of enzymes, which go into the health of the poultry. In the home and personal care, as well as in the beauty area also, a lot of bio chemicals are being used.

In the surfactants area, the bio chemicals or bio surfactants are gaining prominence in a big way, which also comes or which is related to biotech. And therefore, we believe at Rossari, Rossari Biotech's is a very apt name for the whole range of activities and businesses that we do.

Mr. Nihar

Moderator

Thank you so much Sir. With this, we have done with the speaker session. Now I hand over the proceedings to the Chairman Sir.

A - Edward Menezes, Executive Chairman

So you have no other questions now, because we have one other name here, Mr. Tushar Sodha.

Moderator

Tushar Sir has asked the question in the dashboard. If you allow me to read out.

A - Edward Menezes, Executive Chairman

Yes, okay. Yes, please.

Moderator

Yes. So, Tushar Sir says that many congratulation on another top noted performance. Kindly inform what benefits will occur to the Company after the acquisition of Tristar Intermediates and Unitop Chemicals, I also request you to kindly discuss the arc?

A - Edward Menezes, Executive Chairman

Discuss the. Okay. Okay, so, Mr. Tushar, Unitop Chemicals is a manufacturer of surfactants basically, and these surfactants are one of our pillars of chemistry. As I had, in my speech, informed you that we have four pillars of chemistry, surfactants, enzymes, silicones, and acrylics. So Unitop Chemicals manufactures a whole range of surfactants, we not only manufacture the surfactants, but they are also into formulation and servicing the agro and oil and gas businesses.

So, in these segments, Rossari Biotech was not present. Rossari Biotech was present as you know in animal health and nutrition, home personal care and performance chemicals and textile specialty chemicals. So, this opened up a new avenue for business for us. Apart from that almost 60% plus of the sales of Unitop is in the export market and not 60%, 40% is in the export market. And this also again opened up a lot of cross-selling possibilities for Rossari.

A lot of surfactants that Unitop manufactures is also being consumed by Rossari. At the present moment, we purchase from other suppliers. So this will also help us kind of a backward integrate. Similarly, Tristar Intermediates also manufactures surfactants and preservatives for the personal care range of products, and Rossari also is into the personal care product formulation and applications.

So, Tristar preservatives, they are intermediates for dyes as well as the aroma chemicals are part of Rossari's formulations. And that's how the synergies between these two companies helped us because of the synergies between these two companies, we decided to go ahead with these acquisitions.

End of Q&A

Edward Menezes, Executive Chairman

Yes, thank you. So, if any other member who has any other query or wishes to make any further comment may send his or her query by email to the Company Secretary and we will respond. The electronic voting option will remain open for the next 15 minutes. Members who have not exercised their vote may do so now. The same will be disabled by Link Intime.

Members, please note that the results of remote e-voting and e-voting will be decimated to the stock exchanges that is BSE Limited, www.bseindia.com and National Stock Exchange of India Limited, www.nseindia.com and will be uploaded on the website of the Company www.rossari.com and Link Intime India Private Limited www.instavote.linkintime.co.in, the authorized agency providing the e-voting facility.

The dividend declared at the meeting will be credited to the Members holding shares in the demat from on or after 21st July, 2022. Since there is no other business to transact, I declare the meeting has concluded. I invite Ms. Parul Gupta to give the vote of thanks.

Parul Gupta, Company Secretary

Thank you, Sir. Dear Members, now I conclude this meeting with my sincere thanks to all the members and I will also like to extend our thanks to the esteemed Board Members and our colleagues. Thank you all for being part of another growth year of Rossari.

Edward Menezes, Executive Chairman

Thank you.

Parul Gupta, Company Secretary

Thank you.

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