



TRANSCRIPT OF 15TH ANNUAL GENERAL MEETING OF ROSSARI BIOTECH LIMITED HELD ON FRIDAY, AUGUST 23, 2024 AT 09:00 AM THROUGH VIDEO CONFERENCE

Panel Members 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.	Ms. Aparna Sharma	Independent Director
5.	Maj. Gen. Sharabh Pachory (VSM) Retd.	Independent Director
6.	Ms. Esha Achan	Independent Director
7.	Mr. Sanjay Dholakia	Authorized representatives of M/s. Sanjay Dholakia & Associates, Company Secretaries, Secretarial Auditor and Scrutinizer
8.	Mr. Bharat Shetty/ Mr. Nilesh Kothari	Authorized representative of Walker Chandiook & Co LLP
9.	Mr. Ketan Sablok	Group - Chief Financial Officer
10.	Ms. Parul Gupta	Company Secretary & Compliance Officer

Welcome Speech by Parul Gupta, Company Secretary

Thank you, Ashish. Good morning, all. I would like to welcome you all to the 15th Annual General Meeting of Rossari Biotech Limited being held through video conference.

Before we start the proceeding of this AGM, I would like to take you through certain points to join this meeting through video conference. The facility to join the AGM through video conference has been provided on first term first service. The members who have joined this meeting has by default have kept on mute for the seamless process of this meeting. Once the Q&A session starts, the moderator will announce the name of the speaker and the speakers will be entitled to speak on their chance.

Speakers are requested to turn on their video and audio when they are asking the questions. If there is a connectivity issue, he or she may join through audio models. In case, if there is a connectivity issue, the moderator will unmute that speaker and that speaker will be given chance to speak at the end of all other speakers have given their chance.

We request the members keep their question brief and confine their comments to the notice of this meeting. Members may note that the company reserves right to keep the number of speaker limited based on the availability of time of this meeting.

The notice of 15th Annual General Meeting was circulated to all the members through e-mail and is also available on the website of the company. Our register and transfer Link Intime. They are private limited and the stock exchanges. The registered documents and records as required for the inspection of this

meeting are available during the process of this meeting to be inspected electronically. During the AGM, if any member faces an issue, he or may she contact the helpline number provided into the notice of AGM.

With this now, I request Mr. Edward Menezes, our Chairman to take over the proceeds. Thank you and over to you, sir.

Edward Menezes, Executive Chairman

Thank you, Parul. And good morning, dear valued members. At the outset, I welcome all the shareholders who are present through video conferencing at this AGM. A company has made arrangements for the shareholders to join the meeting through video conference in compliance with the circular of 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 introduce all the directors, including myself, who are present at the meeting through video conference to introduce.

I am Edward Menezes here, Chairman of your company, and I'm attending the meeting through video conference from the registered office of the company at Kanjurmarg, Mumbai. Also present with me are Mr. Sunil Chari, Managing Director. Further attending this meeting are Mr. Aseem Dhru, Chairperson of the Audit Committee. Ms. Aparna Sharma, Chairperson, Stakeholders, Relationship Committee. Maj. Gen. Sharabh Pachory, VSM (Retd), Chairperson of the Nomination and Remuneration Committee. And Ms. Esha Achan, Independent Director of the company. Apart from the directors, Mr. Ketan Sablok, Group Chief Financial Officer. Ms. Parul Gupta, Head Company Secretary and Legal, are present at this meeting through video conference.

Mr. Bharat Shetty and Mr. Nilesh Kothari, authorized representative of Walker Chandiook & Co LLP Statutory Auditors of your company. And M/s. Sanjay Dholakia, Secretarial Auditor of your company, are 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 232,36,200 equity shares of Rs. 2 each, representing 5.86%, the total paid up their capital of your company.

Since there is no physical attendance of the shareholders, the requirement of appointing a proxy is not applicable. The statutory registers and certificates are required to be kept under the Companies Act, 2013. 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, I am truly honored to extend a heartfelt welcome to each of you at the 15th AGM. In a year marked by challenges and unpredictability, it is with great satisfaction I share Rossari's strong performance for the year 2024. I take immense pride in our team's remarkable ability to thrive and adapt amidst a turbulent business landscape achieving a stellar performance. Our strategic acquisitions have unlocked a wealth of opportunities, allowing us to innovate, evolve and expand our footprint in the Specialty Chemicals area. Rossari is well positioned to capitalize on the enormous growth potential of the three key sectors it is present in.

This growth acceleration is brought in by the strategic acquisitions we did during the financial year 2021-22. These alliances have paved the way for technology and the knowledge sharing, cross-selling of

products, development of new lines in adjacent Specialty Chemicals sectors, and expansion into new customer bases and geographies. I strongly believe that the integration of Rossari, its subsidiaries, and strategic associations are and will continue to bring synergies that will drive the group towards greater prospects. Navigating the chemical space with a focus on sustainable solutions has always been a formidable challenge. Our objective is to harmonize business interests with societal and environmental needs. We are committed to advancing our performance while ensuring a balance between growth and sustainable practices, including energy conservation, carbon footprint production, and water management.

This approach enables us to maximize customer benefits while upholding our commitment to environmental conservation. We remain dedicated to fostering sustainability, and we will continue to deliver value to both our customers and stakeholders. To uphold our social commitment, our CSR strategy is centered around creating shared value for both our business and the communities we serve. This year, our CSR efforts have focused on several key areas, including medical, education, environmental stewardship, and community development. By investing in these areas, we aim to address pressing social issues and support the wellbeing of the communities in which we operate. I want to reiterate our unwavering commitment to driving innovation, advancing sustainability, and delivering exceptional value to all our stakeholders.

Our dedication to growth and excellence will continue to guide us as we navigate the future, ensuring that we build our successes and meet the evolving needs of our industry. Thank you for your steadfast support and belief in our vision. Together, we look forward to achieving even greater milestones in the years to come.

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 2023-24.

Sunil Chari, Managing Director

Thanks, Mr. Edward Menezes. Good morning, everyone. I extend a warm welcome to all of you and hope that you and your families are in good health and high spirit. I am delighted to have you join us today as we reflect on our achievements and look forward to the future. Our journey so far has been marked by both challenges and triumphs. Despite challenging macroeconomic conditions, the company maintained a steady performance throughout the financial year. Also, your company achieved enhanced profitability compared to the previous year, standalone revenues clocked robust growth of 23%, while consolidated revenue increased by 7%, reflecting our resilience and adaptability in navigating market dynamics. Rossari is increasingly shifting its focus towards growing its international business. This year, the company witnessed a significant increase in the export share, which now comes at almost 24% of our total revenue as compared to 23% in 2020-23, and on the back of enhanced customer base.

Going forward, we expect a healthy rise in consumption demand and steady margins. Our Home, Personal Care and Performance Chemicals now accounts for 75% of sales, followed by Textiles Specialty Chemicals with 19%, and Animal Health with 6%. Looking ahead, our expansion projects at the Dahej are progressing as planned and are expected to be complete during financial year '25. These expansions will enable us to meet growing demand in key sectors and further extend our position in the market. We remain excited about our opportunities in our business verticals and believe that our robust R&D framework, strong financial base and diverse product portfolio will continue to drive our success going forward. We are dedicated to delivering long-term value to our stakeholders while reinforcing our position as a leading

provider of intelligent and eco-friendly solutions. As we continue to evolve and innovate, we are confident in our ability in these emerging opportunities and drive future growth.

For dividend for this financial year in line with our company guidance for dividend policy, we are pleased to share that the directors have recommended the final dividend of Rs. 0.5 per share for financial year 2023-24. Our Annual Report, Financial Board and Auditors' Report, they are all available on our website. In case you have any suggestions or comments, please do reach out to us with them. Thank you for the ongoing support and commitment as we embark on this exciting journey together.

On that note, I would now hand over the proceedings to Mr. Ketan Sablok, our Group CFO, to provide a brief overview on financial performance.

Ketan Sablok , Group - Chief Financial Officer

Thank you, Mr. Chari and welcome to all the members. On the operation front, the macro environment for Rossari has been a mix of stabilizing factors and challenges. We are pleased to report that Rossari delivered a steady financial performance in the year ending 31st, March '24. On a consolidated basis, revenue for the financial year 2023-24 stood at Rs. 18,306 million, up from Rs. 16,559 million in the financial year 2022-23. On a standalone basis, your company achieved total revenue from operations of Rs. 12,029 million as compared to Rs. 9,752 million during the previous financial year. On a consolidated basis, the Home, Personal Care and Performance Chemicals generated a revenue of Rs. 13,686 million in the financial year 2023-24 as compared to Rs. 11,570 million in the financial year. External Specialty Chemicals closed at Rs. 3,539 million in the financial year 2023-24 as compared to Rs. 3,732 million in the previous year. Animal Health and Nutrition generated a revenue of Rs. 1,080 million in the financial year 2023-24 as compared to Rs. 1,257 million in the financial year.

On the profitability front, our EBITDA's got a strong increase from Rs. 2,230 million in the previous financial year to Rs. 2,498 million during the financial year 2023-24, a growth of almost 12%. Our profit after tax reached \$1,307 million in FY24 as compared to \$1,073 million in the financial year 2022-23, clocking a healthy growth of 22%.

On the balance sheet front, our overall financial position remains strong, even after undertaking organic and inorganic expansion for the last few years, our balance sheet profile remains healthy. Our net cash position also remains strong. Overall, our working capital cycle is between 9 to 200 days, which we think, given the current situation, the way we have grown the business is quite comfortable.

I hope I have been able to give you a good overview of our financials. On this note, I would now hand over the proceeding back to our Chairman, Mr. Edward Menezes.

Edward Menezes, Executive Chairman

Thank you, Mr. Ketan. Now, I request the Company Secretary to provide a summary of the auditor's report.

Parul Gupta, Company Secretary

Thank you, sir. The Statutory Auditors, Walker Chandiok & Co LLC, Secretarial Auditor, M/s. Sanjay Dholakia & Associates have provided an unmodified opinion in their respective reports. For no qualification, observation or adverse comment on the financial statement which have any material bearing

on the financials of the company. Copies of the Statutory Auditors' Report, Secretarial Audit's Report are part of the annual report which is circulated to the members. Over to you, sir.

Edward Menezes, Executive Chairman

Thank you, Parul. Now, let me get back to the AGM proceeding. 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.

Remote e-voting comments from Tuesday, 20th August, 2024, 9 AM IST and concluded on Thursday, 22nd August, 2024, 5 PM IST as mentioned in the notice of AGM. The facility of e-voting is also provided as the meeting for those members who have not yet voted.

Members may visit the link for e-voting page InstaMeet and cast their vote while viewing the proceedings of the meeting. As the Notice and Annual Report is already circulated to all the members, so I take the notice.

Statutory Auditors' Report, Secretarial Audit Report and Board's Report and annexure thereon 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.

Adoption of the audited standalone financial statement of the Company for the Financial Year ended 31st March, 2024 and the reports of the Board of Directors and Auditors there on.

Adoption of the audited consolidated financial statement of the Company for the Financial Year ended 31st March, 2024 and the report of Auditors thereon.

Declaration of Dividend for the Financial Year ended 31st March 2024.

Appointment of Mr. Edward Menezes, DIN 00149205 as a Director liable to retire by rotation.

Material Related Party Transactions with Unitop Chemicals Private Limited.

Reappointment of Mr. Edward Menezes, DIN 00149205 as whole time Director designated as Executive Chairman of the Company.

Reappointment of Mr. Sunil Chari, DIN 00149083 as Managing Director of the Company.

Approval of appointment and remuneration of related party Ms. Yashika Chari, holding office or place of profit ratification of remuneration payable to M/s. R. Shetty and Associates, past 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 scrutinizer, scrutinize the e-voting at the meeting and remote e-voting process in a fair and transparent manner.

He is also present at the meeting through video conference. If any member desires to ask any questions pertaining to any item on the notice, he, she may do so now. Moderator will facilitate the question-and-answer session.

Now I would request the moderator to open the forum for members to seek clarification and ask questions.

Question-and-Answer Session

Moderator

Thank you, Chairman Sir. I request the member to keep their question brief and specific and confine their comments to the business item 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 panelists by switching on video mode and audio of your device. The question will be answered by the panelists one by one. I now invite our first speaker for the meeting. Mrs. Lekha Shah. Lekha, ma'am, you are in the panel. Kindly, enable your video and you may speak now.

Q - Lekha Shah

Hello, am I audible, sir? Thank you, Ashish Bhai. Respected Chairman sir, Board of Directors, and my fellow members, good morning and regards to everyone. Myself, Lekha Shah from Mumbai. First of all, I'd like to thank our company secretary, Parul ma'am, for giving me this opportunity and for smooth process where I am able to in front of you all in AGM. I found the AGM notice and I am delighted to say AGM report is so beautiful, full of colors, factors put in in place. Also, it's really useful with lot of information. Thank you, Chairman sir for explaining as well as the company. Congratulations for excellent work, sir. Sir, I pray to God, 2024 comes with great prosperity for our company.

And also thank you, Sunil ji, and Ketan Bhai for such an informative and wonderful presentation. Since Link Intime allowed the login without any problem, I would like to thank them for their best services, especially, Prashanth Bhai and Ashish Bhai. Again, I thank our company's secretary, Parul ma'am, for their best performance and always outstanding support for all my doubts. Sir, I would like to ask only one question. Are there any new products introduced by our company this year? Sir, I hope that company will continue video conference meeting in future. So I strongly and whole heartedly support all the resolutions for today's meeting. Thank you so much, sir.

Moderator

Thank you, Lekha ma'am. I now invite our second speaker for the meeting, Mr. Santosh Saraf. Mr. Santosh, you are in the panel. Enable your video and you may speak now.

Q - Santosh Saraf

Respected sir, all present members, officers and workers, I, Santosh Kumar Saraf, hi to all. I hope you are doing well and healthy. Sir, you said a lot of things in your presentation, I like it very well. Before that, I want to thank our more than 1,000 employees for their hard work, because of which company is giving

such a good result and will continue to do the same. I want to thank our employees' family and your family which act as a backbone to you. I read a lot of things in balance sheet. Last year you launched 38 new products in the market. How many products are you planning to launch in this current year. What is the budget for R&D this year? If you can tell us something about that. Last year, you added 40 clients. What is the target for this year? Please tell us about that as well. How we can use AI in our company so that we can increase our productivity and profitability. What steps are you taking for cost cutting? What steps are you taking energy audit? I think you should audit every quarter for this so that we can reduce cost energy. Fire and safety audit is necessary. I want you do this in three four months because there is a lot of case of short-circuit. Company is making losses because of that. You've done good work in CSR. There are lot of fake NGOs are in market. I want you to audit CSR as well and whatever money you are giving is properly spend. What steps are you taking for carbon emission? How much did you reduce this year? When will reach zero carbon emission? Have you done some rating from rating agency? Are you planning to list in any platform? Please tell us about that.

I want to thank Parul Madam, Like Lekha said, she is very nice. I request Parul madam to mention her ACS number. Like directors are need to mention DIN number, secretary is also required to mention ACS. We have total four plants and seven manufacturing facilities. Have you introduced solar system there? If yes, what is their current capacity? Is there wind turbine system used? I want a clear vision from you. We have 400 male employees. Why are you not giving them paternity benefit? As a labor rule, like women are given paternity benefit. Because both men and women are looking after their children. You have done a lot of development Orissa. Like Lekha said, keep DC meeting so that we can present our gratitude. Wishing you Happy Diwali. And hope you and your family celebrate this festival happily. Lastly, we are also like your family members. There are about 5-10 members attend this meeting. Please honor them during Diwali. They feel good and we are your family and will remain with in future as well. Parul ma'am, give us call some time, that would be good. Thank you all. I want to thank moderator as well and Link Intime. Thank you.

Moderator

Thank you, Mr. Saraf. I now invite our third speaker for the Meeting, Mr. Rajendra Sheth. Mr. Sheth, you are in the panel, kindly enable the video and you may speak.

Q - Rajendra Sheth

Hello.

Q - Rajendra Sheth

You are audible, sir.

Q - Rajendra Sheth

Chairman sir, management team, shareholder brothers. I, Rajendra Sheth, speaking from, Thane, Maharashtra. First of all, congratulation for the great performance. Chairman gave a detailed speech and gave a nice presentation. You kept meeting so well that everybody can attend without disturbing their routine. I want to thank you for that. I have one or two questions. First, what steps are you taking to increase export market? And second thing, what will be our dividend policy? How doe budget is going to affect or

company's turnover? Please tell us that. Company is doing very well under Chairman's leadership and our products are getting good response. I really appreciate that. We got all detailed balance sheet. I want to finish by saying a simple shlok. *Rupham Karoti Kalyanam*. One more short shlok. *Ya devi sarvabhuteshu shanti rupen sansitha, namastese namo namah*. Chairman sir, under your leadership our company continuously progress, I pray to God. I support all the resolution and best of luck. Thank you, sir.

Moderator

Thank you, Mr. Seth. I now invite our next speaker, Mr. Tushar Sodha. Mr. Tushar, you are in the panel kindly I will read you and you may speak now.

Q - Tushar Sodha

A very good morning to all. Am I clearly audible? Thank you so very much for the confirmation. Respected Executive Chairman sir and esteemed Board of Directors, I acknowledge the timely receipt of notice photo meeting as well as copy of annual report of our company. And I thank our very efficient secretarial department for the same. Finance and secretary departments both deserve our appreciation for integrated annual report in accordance with principles of integrated reporting. This report extensively covers almost all details. Congratulations to team Rossari for the highest ever revenues of Rs. 1,831 crores despite several headwinds of fluctuating raw material prices and supply chain disruptions, net profits to are at all-time high of Rs. 131 crores, registering a healthy and impressive 22%. I thank the Board of Directors for the 25% dividend. I'm hopeful that our company will continue healthy dividend payouts in coming years as well.

Due to a strong cash flow diversified portfolio value-added products and proven expertise in focus innovation, Rossari Biotech remains financially robust. This further equips our company with strength and resilience to stay on the path of continuous growth better and profitability. Return on capital incurred however is a matter of concern which is reported at a three-year low of 20.9% that is approximately 21%. I request our finance department to please clarify on the same.

Chairman sir. on page 11, there is a mention of fresh CapEx of approximately Rs 180 crores, Rs. 130 crores for Unitop and another Rs. 50 crores for HPPC. Within how many years this will be spent and will capital expenditure be entirely from internal accruals or from borrowings and raising of further capital? Request you to clarify on the capital expenditure plans. Kindly give some color on capacity expansions and enhancement initiatives of our company. Are we planning of setting up of any new research and development facilities?

On page 15, Managing Director, Shri Chari has mentioned about prioritizing growth drivers like surfactants, esters and biosurfactants, investing and expanding capacities and developing new products in these three areas. Request you to inform some details of the same. Currently Rossari Biotech has installed capacity of 32,000 million tonnes per year. What are our targets for the next three years and what is the current capacity utilization in percentage terms?

Chairman sir, I request you to favorably consider plant visit of shareholders at our manufacturing facilities for our better understanding of the business model. We would like to visit the Dahej, Sariga and Silvassa facilities of Rossari. I appreciate both our Secretarial Department as well as the entire Link Intime officials for seamless and superlative connectivity for today's video conference AGM. All participants are very clearly audible as well as visible. I take this opportunity to appreciate employees at all levels and the entire

senior management team for their valuable guidance. Moving ahead with expansion plans, Rossari Biotech is very well positioned to thrive in the growing global markets. I am optimistic that our company will remain focused on strategic priorities and will be able to deliver sustainable growth and optimize stakeholder values.

I extend my whole hearted support and wish all the very best for a bright financial performance on a very sustainable basis. Thank you, Chairman sir for giving me this opportunity to put forth my queries and express my views. Thank you so very much, sir.

Moderator

Thank you, Mr. Tushar. I now I invite our fifth speaker, Mr. Bimal Panchal. Mr. Bimal you are in the panel, kindly enable your video and you may speak now.

Q - Bimal Panchal

Hello. Good morning, sir. Heartiest congratulation for the all-time robust performance and in your opening statement also looks very positive and full of optimism to fight uncertainties in this world and all this. Sir, annual report is just like management thesis for management students. I highly appreciate the efforts went towards the preparations of this annual report. The colorful presentation which required a glaze paper, I printed on glaze paper, and accounting and all these things which can be accommodated on normal paper or present it in a normal paper. This shows your concern for environment and your cost conservation.

I highly appreciate it. A few questions from my side. The consequence to acquisition of residual stakes in subsidiaries, number one, Unitop Chemicals Private Limited, number two, Tristar Intermediates Private Limited. Going further, what are the plan of a company to run as a separate individual subsidiary or to merge in the company? Their merging will have synergies in the operations.

There's a number two is a, I mean, amid uncertainties in the Bangladesh, how our investment is protected in Rossari Bangladesh Limited? How many employees have been deployed from our company to Bangladesh?

Question number three, on page number 121, there has been mark improvement in net foreign exchange earnings. Can you expect the same tend to continue in this year? Question number four, we have investment of Rs. 375.64 million, mainly in liquid funds of mutual fund out of which Rs. 203.13 million is carried forward from the last year, which indicates that the liquids funds, which are primarily needed for investment to medium to long-term duration is invested in ultra short duration. So here, what is your view? Because this yield on this funding maybe around 4 or 5 percentage only. So just on this one and in some units would do some improvement on this.

On page number 150, shareholding patterns so that holding of mutual funds and foreign portfolio investor has declined from the previous year. At the same time, holding of insurance companies have increases. Well, former investing company for share for short to medium horizons. Where is the insurance companies invest their bearing mind to long term horizons. That means insurance company have a long term view and that they have some of the confidence in our company and the idea of purchase. So, one request since last one, for first regime of source listing, we have been repeatedly requesting for a service plan visit. I once again request you to kindly consider as the visit, give proper understanding of a product, process and all the

interactions of the company. So just consider because if not three, we have got three plants. So anyone we can, that will be accurate. CS, Parul Gupta and Link Intime are doing excellent investor services. And I support all the resolutions and I wish all the best to the company and employees in the years to come. Thank you very much, sir.

Moderator

Thank you, Mr. Panchal. And I invite our sixth speaker, Mr. Jehangir Batiwala. Mr. Jehangir, you are on the panel. Kindly enable the video and you may speak now.

Q - Jehangir Batiwala

Yes, can you hear me, sir? Okay. Dynamic and respected Chairman, Mr. Edward Menezes, MD, Mr. Suril Chari, CFO, Mr. Ketan Sablok, Company Secretary, Ms. Parul Gupta. Fellow shareholders on VC. Good morning to all of you. My name is Jehangir Batiwala. And thanks for inviting me to speak. Sir, at the outset, compliments to the board for declaring a dividend of 25% that is 50 paise per share and keeping the shareholders happy. Sir, we have an EPS of almost Rs. 18, page number two and seven. What is the budget plan for the rest of the money, sir? Sir, our credentials are really good and we are going at around Rs. 800 per share. I think with the kind of work that we do and the results that we are getting, it won't be long before we cross Rs. 2,000 per share, sir. I hope it will. Compliments to the Company Secretary Parul Madam and her team for bringing out an AGM report that is colorful, transparent and having all the details in place and also extending very good investor services.

Sir, we need to preserve her for the betterment of the company. Each and every detail of the company is well-depicted. I don't think that after going to the AGM, there could be any doubts. Hence, I curtail myself and just put some normal queries, progressive queries like what is the CapEx plan and what is the R&D CapEx plan and how do you plan to fund it? What is our market share book domestic and global? So, currently with the Bangladesh scenario, has our market share taken a beating over there? Sir, how many verticals do we have for revenue generation and what is the revenue bifurcation?

Sir, in Animal Health and Nutrition, what particular animals are we targeting, like dogs, cats, poultry or cattle? Sir, we have got four plants in India. Kindly arrange a site visit for the shareholders whenever it is possible for you. Sir, I request you to help but next year, sir, kindly hold a physical meeting or a hybrid meeting because talking on this VC platform is like really irritating now, sir. We would like to sit down in front of you, meet you, greet you, understand and talk to you, sir, in person. Sir, I wish you and both members and the complete family of Rossari all the best for the future and also compliments of the festive season to one and all.

Thank you, sir for patient arranged. We support all the resolution strongly and wholeheartedly through e-voting, sir. And have a great day, sir.

Moderator

Thank you, Mr. Jehangir. I now invite our seventh and last speaker for the meeting. Mr. Vinay Bhide. Mr. Vinay, you are in the panel. Kindly enable your video and you may speak now.

Q - Vinay Bhide

Hello, are you able to hear me? Thank you. Let me see if the video can also work. Okay. I think yeah there we, are fine. Chairman, Mr. Menezes, Managing Director, Mr. Chari, other directors present at today's AGM, company executives and fellow shareholders. My name is Vinay Bhide and I am a shareholder of, the new shareholder of the company and I am speaking from Mumbai. At the outset, let me congratulate team Rossari for having performed extremely well in a very challenging year both on the domestic as well as the international front where we do our business. And also depicted the performance of the company, the divisions very aptly in the form of an annual report as well as you explained the snapshots of this in the form of the Chairman's message and the Chari also explained, Mr. Ketan has given the details, very happy about that. And we have had quite an enthusiastic participation and most of the topics have been covered but with your permission I will try to give a different dimension to the aspect of looking at both the business as well as the annual report.

So I will quickly start with the questions. The 2023 Annual Report provides revenues from business units as mentioned on pages 85 to 87, the question here is that what is the revenue breakup by end use, that is HPPC, TSC and AHN and others, if applicable. The second question besides HPPC, TSC and AHN, it appears the company is expecting revenues in future from preservatives aroma chemicals as mentioned on page 21 of the Annual Report. The question is what are the revenue prospects and the market sizes for the opportunities and when can we expect them to contribute to the revenue and profits?

The third question is on the export front, exports currently contribute about 24% of the revenue. What could be the percentage revenue from exports in this financial year and the near future. And the final question, what was the CapEx and the OpEx spend on IT and digital in financial year '23 and '24 and what is the budget for the current year?

Now beside these questions, I've got just a few questions for a better understanding in addition to suggestions. I will request you to refer to page number 247 of our annual report wherein we have given the detail break up under note 36 on the finance cost. So on the finance cost, can you tell us the comparative average borrowing cost in the concluded financial year, audited financial year and the prior year and overall the interest expense seemed to have gone up. So can you just qualify, I have gone through the notes as well as the details. Can you please clarify as to what has led to these increase in cost and what we are doing to control the interest cost? Besides this, I think I have got a few suggestions on this thing and please take it in the right spirit like the questions. They are more enough for the improvement for company and the more the facilitation of from the shareholder point of view.

The first point is on the holding of the AGM, shareholder is expressed whether it should be online or offline, I am comfortable with both. But I have got one suggestion. I do not see a reason why we hold the meeting at as early as time as 9 am though for people who are speaking from their residences or from their offices and I see that all of you are there in office at as early as 9 o'clock. So please reconsider the timing of the AGM.

So second point is regarding the time at which we are conducting the AGM. I have noted last year we conducted our AGM at the end of the month -- at the end of May. So this year despite all the details have been available by the end of April, can you help us understand as to why we have taken so much of time to hold the meeting? I have request to you to hold the meeting much earlier.

The third point is on the annual report. The annual report came just yesterday. I suppose it must have come in what the Americans call as just in time, it was as warm as I could feel as I was reading through it. But just one suggestion, please leave us a little bit a little bit time to go through the annual reports so that the participation is more meaningful. And of course other requests have been already mentioned by the early shareholders. I will not go through in detail and I will without fail mention two participants in this AGM. One is Parul Gupta and her team; they have done an excellent job in bringing us all together. So keep the good work going as well as Link Intime people, Mr. Rajiv Ranjan and his team. They have been as methodical as they were calling us in advance and ensuring that we have the links and ensuring that this meeting is as good as physical in terms of its use.

I will not take much of common time. I will be there to support you in the years to come. I think we are a great company and have a great future. So I support all the resolutions. And I thank you for the opportunity to speak. Thank you so much.

Moderator

Thank you, Mr. Bhide. With this we complete with the speakers, their order of queries, I now hand over the proceeding to the Chairman. Over to you, sir.

A - Edward Menezes, Executive Chairman

Thank you. 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 will remain open for the next 15 minutes. Members who have not exercised their vote may now do so. The same will be disabled thereafter by a Link Intime.

First, one of the questions that was asked is a consequence to acquisition of residual stake in subsidiaries, Unitop and Tristar. What is the plan of the company?

We have completed 100% acquisition of Tristar Intermediates by acquiring balance 16% stake in April '23 and for Unitop Chemicals so far, we have acquired 80%. Once the balance stake in Unitop is acquired then we will evaluate the merger possibility.

Another question was amid uncertainties in Bangladesh, how our investment is protected in Bangladesh and how many employees have been deployed?

So, Rossari Bangladesh was incorporated in 2023. Currently, we have 11 employees in Bangladesh who are mainly into sales and marketing function. We expect the current uncertainty to normalize very soon. We are confident of growing our footprint in Bangladesh and expect the business to be as per our plan since our senior personnel and the distribution network is now in place. I think you can answer this investment thing.

A - Ketan Sablok , Group - Chief Financial Officer

So, thank you, sir. So, there was also a question on the improvement of net foreign exchange earnings. So, this has basically gone up due to our revenue contribution from exports which has gone up by 108% as

compared to the previous year. We are continuing to focus on export markets and we hope that this element of foreign exchange earnings will keep moving up in the years to come.

There was also a question on the investments short term long term.

So, the investments are moving numbers. So, we keep buying and selling investments in the balance of Rs. 375 crores, the opening balance of Rs. 203 million, we have liquidated Rs. 140 million in the current year 2023-24 and subsequent to the year end '24, we have liquidated the remaining investments of Rs. 62 million. The average yield is about 7% to 8% on the annualized on these investments. The liquid funds are yielding around 6% plus minus on an annualized basis.

There was also a question on breakup of business unit wise.

So the revenue from operations for the three divisions the, Home, Personal Care and Performance Chemicals was Rs. 1,368 crores. The Textile Specialty Chemicals was Rs. 353 crores, and the AHN Rs. 108 crores.

So there were also question on the exports as a percentage.

So as we discussed earlier and Mr. Edward also pointed out we are looking at tapping new geographies end markets, our continued focus and plan to remain and enhance our global footprint with our existing and new products. And we plan to increase our wallet share with all the partners. We expect a positive growth in our export business.

On the CapEx front for IT, the CapEx fund was approximately Rs. 3 crores, the OpEx was Rs. 2 crores. The current year's plans are almost close to what we had done in 2023-24. The average borrowing cost was about 8% and the increase that we've seen in the interest cost is for the term loan that we took in this year for funding the CapEx that we have already announced.

The dividend policy, there was a query, so the dividend policy was adopted on 31 March, 2021 by the Board. The dividend payout depends on the financial parameters and internal factors such as cash flow of the company, working capital requirements, external factors. The company tries to maintain a trend in the dividend payout and hopefully we will keep maintaining our dividend output going forward.

On the budget that has come out, we are not seeing any major impact on our top line because of the budget.

A - Edward Menezes, Executive Chairman

So there were some questions on what are the new products that have been introduced or being launched.

So we have introduced a few of surfactants which are wetting agents which have lesser carbon footprint. We have introduced silicone surfactants and bio surfactants. There are also Esters and Ester Quats that we have introduced. Products for oil and gas have already been introduced in this year. A single combo emulsifier for an agrotechnical was introduced. Very special product nuclear decontamination product for nuclear power plant has been introduced and approved by our nuclear plants, solar panel cleaner which is natural that has been introduced certain resins and spin finish for textiles have been introduced and pharma products for coating as well as the peg ester powder specific, peg powders.

We also have a new distributor Vimal LifeSciences for our Personal Care products and other ingredients. Apart from that, there is a question of mention of fresh CapEx in Unitop as well as for HPPC et cetera.

So Rossari is well positioned to capitalize on the enormous growth potential of three key sectors it is present in. While the outlook for each business remains positive, we are excited to drive faster growth with larger revenues, greater technological capabilities, stronger market presence and well-aligned operating segment in FY25. The company also, along with their subsidiaries, is going to add additional capacity in phased manner at its various facilities, which will help to drive the growth. So that is what the CapEx was for. And the capacity expansion expenditure will be optimal, a combination of internal accruals and borrowings. And finally, we will stick to our policy of 0.5% to 1% of revenues for investment into R&D.

A - Ketan Sablok , Group - Chief Financial Officer

There was a question from Bhide ji on revenue prospects and market sizes for preservatives and aroma chemicals.

Our, one of the subsidiary Tristar Intermediate is the leading manufacturer of preservatives and aroma chemicals. The revenue generated for the financial year '23-'24 by Tristar is Rs. 253 crores. It consolidates financial shipment; it forms part of HPPC division. Exports contribute 24% of revenue. We are looking at tapping new geographies end markets. Our continued focus and plan remain to enhance our global footprint with our existing and new products and increase our wallet share with our partners. We are positive about growing our exports.

There was a question on prioritizing growth drivers like surfactants, esters and bio-surfactants investing in expanding capabilities and developing new products in industry areas. We are working on new product developments and improving our new capabilities in the above areas. Some of these will form as intermediates for many of our final products. And that we will be manufacturing. We are quite upbeat on development of new specialty surfactants bio-surfactants.

A - Edward Menezes, Executive Chairman

So, also there is a question on carbon footprint, solar energy or wind energy et cetera. So, on page 5 of our annual report, you will see that energy 5 KWP is the total installed solar capacity and we are planning to increase this in some of our other plants. In the water management 12,142.5 kilo liters of less water consumed in 2023-24 as well as water disposed of after treatment was 18,505 kilo liters. On the energy parameters 1,500 trees were planted for the ecological balance and 3R policy has been introduced for waste management.

We have also, actually, one of the steps taken was to develop 10 acres of land outside the plant boundary for greenbelt development provided free of cost by GIDC. So this initiative goes beyond statutory requirement and demonstrates Rossari's commitment to environmental sustainability.

Regarding suggestions for fire safety and energy audit to be done more often rather than once a year. So this suggestion is well taken. We will look at implementing this suggestion.

And we also have many of our shareholders requesting for a plant visit. While we do not typically arrange such visits, we can organize a plant walk through if any member is nearby or interested. We can get in touch with our company secretary and we can arrange this visit for you.

A - Ketan Sablok , Group - Chief Financial Officer

Actually, there was just one more question on the return ratios being low. So yes, while the ratios have been low mainly because of post the acquisitions that we did and the current CapEx that is going on that's impacting shows as slightly depressed. However, as the business now starts growing the capacity utilizations with the plans that we, new products, new customers, you will see this improvement in the return ratios going forward.

A - Edward Menezes, Executive Chairman

I think finally, there were some suggestions to hold online meetings or the timing of the meetings. So we will ask the PS to look into it for the next AGM as well as fast forward the AGM. Like there is some suggestion to do it, some consideration and also annual report a little bit in advance.

So we have made note on these suggestions and we will definitely look at improving this for the future So thank you everyone. And members, both the results of the remote e-voting and e-voting will be decimated to the stock exchanges that is BSE Limited and National Stock Exchange India Limited and will be uploaded on the website of the company. And Link Intime India Private Limited, the authorized agency providing the e-voting facility. Dividend declared at the meeting will be credited to the eligible members holding shares in the demat form on or after Monday, September 2nd, 2024.

So I would like to extend my heartfelt gratitude to my colleagues on the board and entire team at Rossari for their remarkable response to the unprecedented challenges we have faced. Their resilience and dedication have been instrumental in navigating these times with strength and agility. Most importantly, I want to express our sincere appreciation to our members for the trust and confidence they place in the board and the management team. Your support has been a cornerstone of our success and has empowered us to rise to the occasion and embrace new opportunities.

Thank you once again for your support and belief in Rossari. And we will strive towards achieving our goals and advancing our mission, dedication, and excellence. Let's carry forward the momentum and continue working together towards our shared goals. Since there is no further business to address, I would like to formally declare this meeting concluded and invite Parul Gupta to give a vote of thanks.

A - Parul Gupta, Company Secretary

Our dear member, I would like to conclude this meeting, I would extend my heartfelt thanks for the continued support and the confidence. I would also like to express my gratitude to our esteemed members, to all my dedicated colleagues for their cooperation.

Thank you once again for your commitment and engagement.

A - Edward Menezes, Executive Chairman

Thank you.

A - Ketan Sablok , Group - Chief Financial Officer

Thank you very much.

A - Edward Menezes, Executive Chairman

Over to the moderator.