



RISHIROOP LIMITED

TRANSCRIPT OF THIRTY-NINTH (39TH) ANNUAL GENERAL MEETING OF THE MEMBERS OF RISHIROOP LIMITED HELD ON MONDAY, 12TH AUGUST 2024 AT 11:00 A.M. VIDEO CONFERENCING/ OTHER AUDIO VISUAL MEANS (“VC/OAVM”).

Company Secretary:

Good morning, ladies and gentlemen. I am Agnelo Fernandes, Company Secretary and Compliance Officer of the company, attending the meeting from the corporate office in Mumbai.

I welcome you all to the 39th Annual General Meeting of the company, which is being held through video conference in compliance with provisions of the Companies Act, the SEBI, LODR regulations and related circulars issued by the Ministry of Corporate Affairs and by SEBI. Mr. Arvind Kapoor, Chairman of our company, will be presiding over our meeting today. I shall now request our Chairman to please introduce our panelists and to call the meeting to order.

Chairman:

Welcome, I am Arvind Kapoor, Chairman, attending the meeting from the corporate office in Mumbai. Today, we have with us on this video conference, Managing Director Mr. Aditya Kapoor, Mr. Atul Shah, Non-Executive Director, Mr. Hemant Vakil, Independent Director and Chairman of the Audit Committee and Nomination Remuneration Committee, Mrs. Vijyatta Jaiswal, Independent Director, Mr. Sitendu Sharma, Independent Director, the Chief Financial Officer, Mr. Mittal Savla and our Company Secretary, Mr. Agnelo Fernandes. As all the other directors and key management person have logged in from their office or residence in Mumbai, we also have present with us the representatives of the auditors - Jayesh Dadia and Associates LLP and the Secretarial Auditors.

The participation of members through video conference is being reckoned for the purpose of quorum as per the circular issued by the MCA and Section 103 of the Companies Act 2013. The requisite quorum for the meeting being present, I call this meeting to order. Now, I request our Company Secretary to highlight certain points with respect to today's proceedings.

Company Secretary:

Thank you, sir. The registered office of the company is W75A-76A MIDC, Satpur Nashik, which shall be deemed to be the venue for this AGM. The requisite registers as per the Companies Act and documents referred to in notice of 39th AGM are available and kept open and accessible during the meeting and any member who wishes to inspect the same can send an email to the registered office.

The company has received two authorization letters authorizing representatives to attend the AGM on their behalf, which represent 64% of the voting capital of the company. Since this meeting is being conducted through video conference without physical attendance of the members, there is no requirement for appointment of proxies and therefore no proxies have been received. We have received one request from one member for registration as Speaker Shareholder in the AGM.

The Shareholder has been provided a separate link to log in during the meeting by CDSL and we shall invite him to speak later during this meeting. Members are requested to refer to the instructions provided in the notice for seamless participation through video conference. In case members face any difficulty, they may reach out to the helpline numbers.

I shall now hand over proceedings to the Chairman.

Chairman:

Dear shareholders, I have great pleasure in welcoming all of you to the 39th Annual General Meeting of your company, which is being conducted through video conference in compliance with the statutory guidelines. I thank all of you for your continued trust, encouragement and support to the company and its management.

The global economic environment is characterized by a mix of cautious optimism and ongoing challenges. From a company perspective, the fluctuations in prices of petroleum products and the simmering geopolitical tensions due to wars in Ukraine and Mideast and the supply chain disruptions resulted in lower margins. The compression in demand in mature markets was offset by positive growth in our domestic volumes.

Despite grappling with inflationary pressures in material costs and downturn in global demand, our company has managed to achieve sales turnover of Rs. 76.67 crores during the fiscal year under review, compared to Rs. 88.7 crores in the previous year.

It is important to note that our other income for the year amounted to Rs. 21.73 crores in contrast to previous year's Rs. 1.44 crore.

This increase is primarily attributable to the surge in the valuation of our investment portfolio due to bullishness in the stock market, as our investments are marked to market basis. While our profit before tax for the year under review stood at Rs. 27.98 crores compared to Rs.10.88 crores in the preceding year, a net of exceptional items, it is vital to underscore that we remain steadfast in our pursuit of growth and profitability. We continuously scan the horizon for promising opportunities, both in the domestic and export arenas, with a view to enhancing our business and augmenting profitability. I am

pleased to inform you that your board, taking into account the company's profits and available surplus, has recommended to you to have an increased dividend this year.

Therefore, we propose a final dividend of 18%, equivalent to Rs. 1.8 per equity share for the financial year 2023-24. Beyond our corporate pursuits, we deeply acknowledge our role as responsible stakeholders in the society.

In line with this commitment, your company contributed a sum of Rs. 35 lakhs for setting up a neonatal intensive care unit, NICU, at Rasiklal Dharival Hospital and Research Centre, Nashik.

On behalf of the board, I extend my heartfelt appreciation for the unwavering support we have received from shareholders, employees, customers, business partners, suppliers, and financial institutions.

Their collective support has been instrumental in propelling our company on the path of sustainable growth. Without further ado, let us proceed with the formal agenda of today's meeting.

The annual report for the financial year 2023-24 containing the notice convening the meeting together with the audited annual financial statements as on 31st March 2024, as well as the reports of the board of directors and the auditors thereon, have already been circulated electronically to the members of the company.

I hope the members present here have got an opportunity to go through the annual report. With your permission, I take the notice as read. Members may please note that, as the statutory auditors report and the secretarial auditors report do not contain any adverse qualifications, observations, or comments. Therefore, I request the members to take the reports as read.

We will now take up the resolutions set forth in the notice. I will now read out the items of business to be transacted as per the notice of 39th Annual General Meeting dated 21st May 2024.

Ordinary business. Agenda item number one, adoption of director's report financial statements for the year ending 31st March 2024 and the auditor's report thereon.

Item number two, declaration of final dividend on the equity shares for the financial year 2023-24 at 18 percent, that is rupees 1.8 per share.

Item number three, reappointment of Mr. Arvind Kapoor, director, who retires by rotation. Special business.

Item number four, continuation of Mr. Atul R. Shah as non-executive director.

Item number five, increase in the limits applicable for making investments under section 186 of the Companies Act 2013.

Item number six, consider and approve place other than the registered office where statutory registers now the company may be kept, as all the resolutions mentioned in the notice of the AGM have already been put to vote through e-voting.

The resolutions are not to be proposed or seconded by members at this meeting. Further, since detailed explanations wherever required are provided in the explanatory statement annexed to the notice, the same is not being repeated. I will now ask our company secretary to summarize the voting procedure.

Company Secretary:

As per Section 108 of the Companies Act, read with the relevant rules, that is rule 20 of Companies Management and Administration Rules and clause 44 of SEBI LODR, the company has provided e-voting platform of CDSL to the shareholders for exercising their voting rights in an electronic form. The company has appointed C.S. Shreyans Jain of M/s. Shreyans Jain and Company Practicing Company Secretary as a scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The remote e-voting window opened on Thursday 8th, August '24 at 9 a.m. and closed on Sunday 11th, August '24 at 5 p.m. Members who have not voted earlier may vote during this AGM on the CVSL e-voting platform.

The e-voting facility will close 15 minutes after the conclusion of this AGM. The results of voting on each resolution shall be determined by adding the votes of remote e-voting in favor of or against a resolution along with the votes cast during this meeting by the members in favor of or against the respective resolutions. As per Regulation 44 of SEBI LODR, the combined results of remote e-voting and e-voting during the AGM shall be submitted to BSE Limited within two working days of conclusion of the AGM.

The voting results would also be uploaded on the website of the company and also on the CDSL website. We now request the member who has registered with the company to share their views.

Can we ask, open the link to Mr. Keshav Garg please.

Mr. Keshav Garg – Shareholder Speaker:

Thank you for the opportunity. I hope I am audible.

Company Secretary:

Yes, you are.

Mr. Keshav Garg – Shareholder Speaker:

Sir, I will just ask my list of questions and then you can answer them. Sir, what was the sales volume in FY24 and what is the expectation for FY25 and FY26? Sir, what is the outlook for FY25 in terms of top line and bottom line? Sir, can we surpass the peak EBITDA of 13 crore that we achieved in FY22 in the upcoming year FY25? Sir, what are the CAPEX plans or plans for any M&A considering widespread distress in the chemical industry? Sir, are there any plans to launch the new products? Sir, have there been any

progress in identifying a new product line or a foreign JV partner? Sir, will we be able to cross the 100 crore revenue mark in FY25? Sir, how do we plan to utilize our cash surplus of 112 crores on our books? Sir, please consider a NSE listing and sir, please consider utilizing this money towards a share buyback of the maximum possible net worth of 31 crores because post October 24, it won't make any sense from a taxation point of view as it will come under the 39% tax bracket. So, please sir, this is a suggestion for considering an NSE listing as well as share buyback.

Sir, thank you so much and I hope you can answer these questions.

Chairman:

Thank you for your continued interest in the company and for sharing your valuable comments and suggestions. I will now address some of the specific questions that we have received.

Given the current market conditions, our outlook for the current year remains cautiously optimistic. The deflationary pressure on material prices and soft export volumes do pose challenges, but we are working to address them. We are focusing on the domestic market where growth and need for differentiated products continues to remain strong as a strategy to grow the sales volume in FY24-25.

We are committed to maximizing opportunities to add value and barring unforeseen circumstances, we are hopeful of surpassing EBIDTA of FY2022. We are considering capex plans to augment our capacity further as we are approaching plant capacity constraints. We are actively introducing new grades and products that can enhance our product portfolio and address changing market demands. Our goal is to remain innovative and responsive to the market needs.

The Finance Act 2024 has proposed taxation of buyback of the share proceeds in the hand of the shareholders, which makes the share buyback route unviable for distribution of cash surplus. Notwithstanding this, after considering all relevant aspects, we will consider the suggestions received for optimum deployment of cash surplus at an appropriate time.

I would like to express my sincere appreciation to the shareholders who have taken the time to share their questions and attend this meeting through video conference. I wish you and your families good health and all the success for the future. Thank you.

I now declare this meeting as closed.
