

TRANSCRIPT OF 24TH ANNUAL GENERAL MEETING

Suresh Gondalia, Company Secretary

Good afternoon all.

I welcome you all at 24th Annual General Meeting of the Company. The meeting is held through Video Conference (VC) in accordance with Circulars issued by the Ministry of Corporate Affairs and SEBI.

Before we start meeting, I would like to inform that our founder chairman Shri Pavinbhai Kiri passed away on 12 June 2022 and to give honour to him, we have to observe one-minute silence for him

The meeting is being held through Video Conference (VC) in accordance with Circulars issued by the Ministry of Corporate Affairs and SEBI. Accordingly, the Company had taken all requisite steps to enable members to participate and vote on the items being considered in the AGM. I would like to inform you that the Company has taken webcast facility of CDSL for live streaming and proceedings of this meeting.

The Company has also provided remote e-voting facility through CDSL, which was commenced from 9 am on 26th September, 2022 till 5 pm on 28th September, 2022. Members, who have not casted their vote through remote e-voting, may cast their vote during AGM through CDSL e-voting portal which will remain open during the meeting. The basic instructions relating to e-voting and joining the AGM through VC are provide in the Notice of the AGM.

The Statutory Registers of the Company are available of inspection on the website of Company. As the meeting is being held through VC, the appointment of proxy is not required and hence the proxy register is not available for inspection.

The Notice of AGM along with the Annual Report was circulated to the shareholders well in advance within statutory period.

Now, with permission of members, I request Mr. Manish Kiri, Chairman and Managing Director to occupy the chair for the 24th AGM and carry out further proceeding of the Meeting.

Over to you sir.

Manish Kiri, Managing Director and Chairman

Dear Fellow Shareholders,

Good afternoon.

On behalf of Board, I warmly welcome you all at 24th AGM which is being held through Video Conferencing. I trust your family and you are keeping well.

Now it is time to start Annual General Meeting. Due to outbreak of Global Pandemic COVID-19 and as per the Circulars issued by Ministry of Corporate Affairs and SEBI, this meeting is being held through Video Conferencing. The Company has taken all possible steps to ensure that the shareholders are provided an opportunity to participate in this meeting.

As we have the requisite quorum being present through video conference to conduct the proceedings of this meeting, I call the meeting to order.

I am pleased to present you the Annual Report of the company for the financial year 2021-22. Before I take up the Agenda of this meeting, I wish to introduce the members of the Board and Key Managerial Persons, particularly for the benefit of new shareholders and for recording the attendance. Along with me, we have with us at the meeting:

1. Mr. Keyoor Bakshi, Independent Director and Chairman of Audit Committee;
2. Mr. Mukesh Desai, Independent Director and Chairman of Nomination and Remuneration Committee;
3. Ms. Veena Padia, Independent Director and Chairperson of Stakeholder's Relationship Committee & Corporate Social Responsibility Committee;
4. Mr. Ulrich Hambrecht, Independent Director, joining from Germany;
5. Mr. Suresh Gondalia, Company Secretary; and
6. Mr. Jayesh Vyas, Chief Financial Officer.

In addition to the Management team, Company's Statutory Auditors, Cost auditors, Secretarial Auditors and Scrutinizer are also present at this AGM.

With the permission of members present, the notice of 24th AGM, Statutory Auditors Report and Secretarial Auditors Report are taken as read.

The Notice of the 24th AGM, contains total 6 resolutions, which I place herewith before the meeting for approval:

1st To receive, consider and adopt the Audited (Standalone and Consolidated) Financial Statements for the year ended on March 31, 2022, together with the reports of the Directors' and Auditors' thereon.

2nd To re-appoint a Director in place of Mr. Manish Kiri (DIN: 00198284), who retires by rotation and being eligible, offers himself for re-appointment.

3rd To re-appoint M/s. Pramodkumar Dad & Associates, Chartered Accountants, as Statutory Auditors of the Company.

4th To ratify the remuneration of Cost Auditors of the Company for the Financial Year 2022-23.

5th To approve Material Related Party Transaction with M/s. Lonsen Kiri Chemical Industries Limited.

6th To approve continuation of directorship of Mr. Ulrich Hambrecht (DIN: 01967154) as Non-Executive Independent Director.

All the items of Special Businesses are explained in detail in the Explanatory Statement attached to the Notice of the meeting. As I am interested in item no. 2 & 5, I request Mr. Keyoor Bakshi, Chairman of the Audit Committee shall preside over as Chairman for this item of businesses.

Now, I would like to brief on the performance of the Company and outlook for future:

I am pleased to share you my thoughts for the Company for FY22. Your Company has yet again demonstrated its ability to stand tall in the face of considerable headwinds that promised to derail it from the committed path. FY22 was replete with challenges. It started with the second wave of the pandemic which tested India's metal severely. Like every other enterprise, we had our share of issues that were overcome by our Covid action force who left no stone unturned to help the team in these trying times.

Even as demand resurfaced and we looked to improved possibilities, the surge in energy costs owing to the spike in coal and gas prices as well as an increase in raw materials cost sucked out the winds from beneath our sails. The incremental cost could not be completely passed on to the end customers. Our cost structures were severely compromised. We were pushed against a wall.

Also, the irrational jump in raw cotton prices impeded the progress of the textile sector in the second half of FY22. The jump in working capital requirements forced some players to throttle operations. This hampered demand for our products.

Further, the geo-political issues that erupted in the last quarter of FY22 resulted in a significant supply chain disruption globally. It resulted in a spike in all inputs cost – it was next to impossible to pass on the incremental costs to the end user.

Even as standalone Revenue from Operations increased at a healthy uptick from Rs. 689 crore in FY21 to Rs. 1136 crore in FY22 which is increased by 65% mainly on account of better price realization and increases in volume in all three business verticals of dyes, Intermediates and Basic Chemicals. EBITDA stood at Rs. 33 crore in FY22 against Rs. 1 crore in FY21 mainly due to higher sales with incremental margins. However, Operational Expenses have increased during the year on account of an increase in raw material cost, power & fuel cost and especially legal expenses being incurred towards litigation in Singapore Court. Net loss on a standalone basis declined from Rs. 37 crore to Rs. 9 crore in FY22 – the reduction in the net loss was very heartening. The credit for this achievement rests squarely on the shoulders of our team who have gone above and beyond to help the Company, to overcome these trying times.

In FY22 consolidated Revenue from Operations grew by 56% from Rs. 957 crore to Rs. 1497 crore. EBIDTA grew by 46% from Rs. 85 crore to Rs.123 crore in FY22. During FY22, net profit including share of profit from associates increased by 54% from Rs. 252 crore to Rs. 388 crore.

This brings me to the most important part of my message. After more than 7 years, we have crossed the finish line. We won the legal battle in the Singapore Court. This is a huge moment for all of us. We will be able to come out from the grave suffering on account of minority oppression and will receive about US\$ 600 Mn plus pursuant to the buyout order given by Singapore International Commercial Court (SICC) and Supreme Court of Singapore. In current month hearing at the Supreme Court of Singapore for legal cost judgement appeal and appeal in SIC7 have been effectively completed and judgements are reserved. SIC7 was our preferred supplier claim against DyStar and nothing to do with main minority oppression suit, which is SIC4. We are expecting three judgements in near future that are;

1. Final valuation judgement from SICC after giving effect of Singapore Supreme Court judgement dated 6 July, 2022.
2. Judgement from Supreme Court of Singapore on legal cost appeal, SICC has awarded S\$ 8.11 mn legal cost in SIC4 in December 2021.
3. Judgement from Supreme Court of Singapore on SIC7 appeal, in September, 2021, the SICC had dismissed our preferred supplier claim against DyStar.

I have faith on Singapore Judiciary to conclude our all legal cases as soon as possible.

I expect two questions to be crossing your mind.

- 1) By when will we receive the funds?
- 2) Where will we deploy the funds?

First, the Longsheng Group/Senda will have to pay funds as per the Court order. I estimate that they will need to honour the judgement within FY23. And yes, they have the necessary liquidity/resources to meet this liability.

Next, where do we deploy the funds?

India is emerging as a land of opportunities. The western world is looking upon India as a reliable sourcing hub. India is ardent about its goal of becoming a US\$5 trillion economy (it is already around US\$ 3 trillion). This ambition is throwing up multiple business opportunities in diverse sectors. Moreover, it is creating new business spaces which did not exist even a decade ago.

Further, the Hon'ble Prime Minister of India has expressed his desire to graduate India to the Developed Nation status. This single statement, if dedicatedly implemented, promises to change the industrial eco-system of India.

We will cherry-pick some interesting opportunities after a detailed analysis of the challenges and prospects. After we narrow down on some avenues where the prospects align with our risk-return appetite, we will deploy these funds prudently in a phased manner. This diversification will help us to create immense value for all our stakeholders.

Having said this, I must mention that we do not propose to get out of our Dyes and Dye Intermediates business. We will continue to grow this business too. While there are challenges in the near term, primarily owing to spiraling input costs, we see interesting opportunities appear over the medium to long-term horizon.

India is working single-mindedly towards uplifting the textile sector, a key economic driver for the nation. The Indian Government has entered into Free Trade Agreements (FTAs) with the UAE and Australia. Moreover, it is actively discussing the prospects of endorsing FTAs with the European Union, Canada and the UK. These agreements will be 'big-ticket' deals for the textiles sector with the potential to create a level playing field for the Indian industry vis-à-vis competitors such as Bangladesh, Sri Lanka and Vietnam. It would have

significant positive ramifications for the Indian textile industry over the medium term and our dyes and chemical business.

Our future is extremely riveting as we are excited about widening our business spectrum. We will persistently explore newer ways and avenues to further improve our topline growth and profitability. We stand firm in our commitment to building a strong business and delivering value to all our stake holders.

Since there is no speaker shareholder registered with the company and there being no other business, I conclude this Meeting, with my sincere thanks to all of you for being present and extending your valuable support and co-operation to the Company.

I on behalf of the Board, would also like to thank our esteemed shareholders, partners, central and central governments and other stakeholders for reposing their confidence in our capability and extending their support in our long journey of perseverance. I would like to thank all my colleagues on the Board for their oversight in this crucial phase of our growth, their support, and immense encouragement to the Management team.

The results of voting on resolution proposed in this AGM, will be announced on website of the Stock Exchanges, CDSL and the Company within two working days of conclusion of this meeting.

If you have any questions on any agenda items, please feel free to write to Mr. Suresh Gondalia, Company Secretary of the Company.

I wish you all good health. Be safe and take care.

Thank you very much.