

TRANSCRIPT OF THE 63RD ANNUAL GENERAL MEETING OF RSWM LIMITED HELD AT 14.00 IST ON FRIDAY 13TH SEPTEMBER, 2024 THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS.

Surender Gupta/Company Secretary : Good afternoon. I, Surender Gupta, Company Secretary and Compliance Officer of RSWM Limited, participating from Noida, welcome you all in the 63rd Annual General Meeting of the Company.

I would like to inform you that the proceedings of these meetings are being recorded. During the meeting, the participants, apart from panelists, would be on mute. As the members are aware that in accordance with the MCA and SEBI circulars this meeting is being held through video conferencing or other audio visual means without the physical presence of the members. The deemed venue for the AGM shall be the Registered Office of the Company at Kharigram, P O Gulabpura 3110021, District, Bhilwara, Rajasthan.

Shri B. M. Sharma, Joint Managing Director, Shri Ravi Jhunjhunwala, Director, Shri Shekhar Agarwal, Director, Shri Arun Churiwal, Director, Dr. Kamal Gupta, Independent Director, Shri Amar Nath Choudhary, Independent Director, Shri Deepak Jain, Independent Director, Mrs. Archana Kapoor, Independent Director, Shri Surya Kant Gupta, Independent Director and Shri Suman Jyoti Khaitan, Additional Director (Independent) are present in the meeting.

Since Shri Riju Jhunjhunwala himself is interested in, the Resolution number 2 of the notice of the AGM, therefore, Shri B.M. Sharma, Joint Managing Director present in the meeting will chair the meeting for the item number 2 only.

Since this AGM being is being held without physical presence of the members, the facility of appointment of proxy by members under section 105 of the Companies Act 2013 is not available at this AGM.

The facility of joining the AGM was opened 15 minutes before the scheduled time of the AGM and shall remain available for 15 minutes after the scheduled time. In compliance with the provisions of Section 108 of the Companies Act 2013, read with, relevant rules and also listing regulations 2015, the Company had provided facility for voting by electronic means to all its members to enable them to cast their vote electronically, and the business would be transacted through e-voting. The Company has engaged the services of NSDL for facilitating participation by the members at the AGM through VC or OAVM and remote e-voting including e-voting during the AGM. Remote e-voting facility was made available to the members from Tuesday 10th September 2024 at 9 AM and which ended on, Thursday 12th September 2024 at 5 PM. Members attending the AGM today and who have not cast their votes, by remote e-voting are entitled to exercise, their right to vote by e-voting during the AGM.

The Company has appointed Mr. Mahesh Kumar Gupta, Practicing Company Secretary as the Scrutinizer to scrutinize the remote e voting, including e voting during the AGM process in a fair and transparent manner. The Results will be declared not later than 2 working days that is on or before 17th September 2024 after considering the e-voting done today by members participating in this AGM, and also the remote e-voting already done by the members. The results along with this scrutinizers report shall also be submitted to the Stock Exchanges that is, NSE and BSE and will also be placed on the website of the Company.

The Notice of the Annual General Meeting and Annual Report were made electronically to the members at their email addresses registered with the Company or Depository Participant by August 14, 2024. The members were provided an opportunity to inspect the relevant documents accompanying the notice of 63rd AGM.

The Statutory Register maintained as per the Companies Act 2013 are kept open electronically for inspection by the members during the AGM. At this moment, 52 participants have joined, hence, the requisite quorum is present. Now I request the Chairman to please welcome and address the members present at the meeting and also to declare this meeting open.

I request Chairman to since, I think, maybe some connectivity issues, with the chairman.

Shri B.M. Sharma, Joint Managing Director was requested to conduct the meeting on behalf of Shri Riju Jhunjhunwala, Chairman.

B M Sharma: Thank you, Mr. Surender Gupta. Very good afternoon, everybody. I am B M Sharma, Joint Managing Director of the Company, joining this AGM from Kharigram, welcome the members to the 63rd Annual General Meeting of your Company.

In line with the MCA and SEBI Circulars, this AGM today is being convened through video conferencing or other video visual means. The Company has taken all feasible steps to ensure that the shareholders are provided an opportunity to participate in the AGM. The requisite quorum is present, and therefore, I call the meeting in order.

I welcome other colleagues on the board of your Company to the 63rd annual general meeting. Let me ask board of directors to introduce themselves.

To begin with, Shri Ravi Jhunjhunwala.

Company Secretary: I think, his connectivity is not established. Okay.

B M Sharma: Next, Mr. Shekhar Agarwal.

Mr. Shekhar Agarwal: Good afternoon, everyone. I'm Shekhar Agarwal, Director of the Company joining this meeting from my office in Noida. I'm a member of the Nomination and Remuneration Committee and the Stakeholders' Relationship Committee. Thank you.

B M Sharma: Thank you, Mr. Agarwal. Shri Arun Churiwal. I think his connectivity is also lost. Yeah. Yeah. Yeah. He's there. Yes. Yes. He's there? That just to introduce, like, the chairman you can introduce. Yeah.

Arun Churiwal: I've joined. I've joined.

B M Sharma: Yeah. So, we are with, Shri Arun Churiwal as of now. He can introduce himself.

Shri Arun Churiwal: Good afternoon everybody. I am Arun Churiwal, Director of the Company. I am Chairman of Corporate Social Responsibility Committee and Member of Stakeholders' Relationship Committee. I am joining this AGM from Kolkata. Thank you

B M Sharma: Thank you, Mr. Churiwal, for the, information of all the participants. Shri Arun Churiwal is also Chairman of the Corporate Social Responsibility Committee and member of Stakeholders Relationship Committee. He is joining this meeting from Kolkata.

Now since Mr. Ravi Jhunjhunwala is back, I request Shri Jhunjhunwala to introduce himself.

Mr Ravi Jhunjhunwala: Do I have to make a roll call? Yes.

Mr Ravi Jhunjhunwala: I'm Ravi Jhunjhunwala, and I'm, attending this meeting from my Office in Noida.

B M Sharma: That's all. Thank you, Mr. Jhunjhunwala. Now, I request Dr. Kamal Gupta.

Dr Kamal Gupta: Good afternoon, everybody. I'm Kamal Gupta, an Independent Director of the Company. I'm Chairman of the Audit Committee and the Nomination and Remuneration Committee. I'm joining this meeting from my residence at Noida. Thank you.

B M Sharma: Thank you, Dr. Gupta. May I request now Mr. Amar Nath Choudhary to introduce himself

Mr Amar Nath Choudhary: Good afternoon, everybody. I am Amar Nath Choudhary, an Independent Director of the Company. I am member of Audit Committee and Nomination and Remuneration Committee. I'm joining the AGM from Kolkata. Thanks.

B M Sharma: Thank you, Mr. Choudhary. May I request Mr. Deepak Jain now to start?

Mr. Deepak Jain: Namaste. Good afternoon to everyone. I'm Deepak Jain, an Independent Director of your Company. I'm joining this AGM from Gurugram, Haryana. Thank you.

B M Sharma: Thank you, Mr. Jain. Now I request Mrs. Archana Capoor.

Mrs. Archana Capoor: Good afternoon, everybody. I'm Archana Capoor, an Independent Director of your Company. I'm a member of Audit Committee and Risk Management Committee. I'm joining this AGM from New Delhi. Thank you.

B M Sharma: Thank you, Mrs. Capoor. Now I request Shri Surya Kant Gupta.

Shri Surya Kant Gupta: Okay, Good afternoon everybody. I'm Surya Kant Gupta, Independent Director of Board. I'm also a member of Corporate Social Responsibility Committee, and Risk Management Committee. I'm joining this meeting from my Mumbai residence. Thank you.

B M Sharma: Thank you, Mr. Gupta. Now I request, Shri Suman Jyoti Khaitan

Suman Jyoti Khaitan: Yeah. I'm Suman Jyoti Khaitan. I'm an Additional Independent Director of the Company. I'm also the Chairman of the Stakeholders Relationship Committee of the Company and I'm joining the AGM from New Delhi. Thank you.

B M Sharma: Thank you, Mr. Jhunjhunwala. In case, your connectivity is restored, would you like to come?

Chairman: Yes. I can, do it, support you. Good evening, everyone. I'm, Riju Jhunjhunwala Chairman and Managing Director of the Company. Unfortunately, I'm, traveling to Bhubaneswar, and there's some connectivity issue there. But, I'm online now, and I'm, on call now. But I would, request Shri B.M. Sharma, Joint Managing Director to conduct the meeting on my behalf. Thank you.

B M Sharma: Thank you, Mr. Jhunjhunwala. All the Directors are present in the meeting. We also have, with us representatives from the Statutory Auditors, Shri Vijay Gupta from S S Kothari Mehta & Co. LLP, and Shri N K Lodha from Lodha & Co LLP. May I request Mr. Vijay Gupta to introduce himself?

Mr. Vijay Gupta: Good afternoon. I am Vijay Gupta, partner with S S Kothari Mehta & Co. LLP. I am joining this AGM from our office in New Delhi. Thank you.

B M Sharma: Thank you, Mr. Gupta. Now may I request, representative from Lodha & Co.

Mr. Lodha:I am Narendra Lodha, Partner with Lodha & Co LLP and I am joining this AGM from our Office in New Delhi.

B M Sharma: Thank you, Mr. Lodha. We also have with us, the representative from our Secretarial Auditor, Shri Mahesh Kumar Gupta. May I request Mr. Mahesh Gupta to introduce himself? I think he's connected. He's not established, but he's. Yeah. He was. Yeah. Good. So Mr. Mahesh Gupta ji is here now. Mahesh Gupta ji, your turn now. He's on mute. Mr. Mahesh Gupta, please unmute yourself.

Mr. Mahesh Gupta: Hello? Yes. I'm audible?

B M Sharma: Yes.

Mr. Mahesh Gupta: Good afternoon. I am Proprietor of Mahesh Gupta & Company. Company Secretaries, Delhi. I am attending this meeting from my office Delhi. Thank you.

B M Sharma: Thank you, Mr. Gupta. We also have, with us Mr. Nitin Tulyani, Chief Financial Officer of the Company, and Shri Surender Gupta, Company Secretary and Compliance Officer, who has already spoken. The Annual Report of the Company for the financial year ended 31st March 2024 containing the standalone and consolidated financial statements have already been circulated to the members of the Company electronically. With your permission, I take it that you have gone through the same. The Auditors' Report on the financial statements and the Secretarial Audit Report of the Company for the financial year ended March 31 2024 do not contain any qualification, reservations, adverse remarks, or disclaimer. Accordingly, the reports are not required to be read out as provided in the Companies Act 2013. Now with your permission, I begin my formal address to the shareholders.

Dear members, a very good afternoon to all. On behalf of the Board of Directors, I would like to extend a warm welcome to all of you at this 63rd Annual General Meeting of RSWM Limited. I thank all the members who have joined this meeting today, and I hope you and your families are healthy and safe. It has been a long journey of support and decision making with all stakeholders. We aspire to continue it with more zeal and dedication. Your support in tough times is our Company's strongest pillar. Thank you for your trust in us. I will now give a brief overview of economic conditions in the country and textile industry. The global economy shows sign of recovery and some normalcy after recent geopolitical tensions and a volatile macro environment. Most major economies except Japan and US have seen income growth. As cyclical factors wane, economies have returned to normal. Distortions in economic activity have declined as a result. Global inflation is expected to moderate to 3.5% in 2024 and 2.9% in 2025. As a result, many central banks are expected to remain cautious in lowering policy interest rate. Also, the global economy is expected to be exposed to the effect of ongoing conflicts worldwide. The global economic growth is projected to grow at 3.2% in 2024 and 3.3% in 2025. The Indian economy continues to defy global challenges with annual GDP growth projected 8.2% in fiscal year 2024. The Government is focused on domestic growth. It is investing heavily in infrastructure and providing sector specific relief measures.

Moving forward, healthier corporate and bank balance sheets will further strengthen private investment. Therefore, the private sector is expected to play a key role in driving the growth in coming years. Despite starting on a big note, manufacturing output is also expected to grow at a healthy rate of 8.5% this fiscal year with increases being reported in 6 of the 8 core industries. Farm output is expected to grow only 0.7% this fiscal due to erratic monsoons. This is lower than 1.8% growth projected in January 2024. However, recent forecast of good monsoon in most parts of the country raises hopes for better growth.

Coming to global textile industry, the global textile market has achieved a remarkable milestone reaching a value of \$ 1,027 billion in 2023. Looking ahead, the market is poised for continued growth with projections indicating a rise to \$ 1445.4 billion by 2032. The expansion is expected to occur at steady compounded annual growth rate of 3.8% from 2024 going to 2032. The market growth is driven by changing consumer preferences for comfort, sustainability, and fashion, boosting demand for eco-

friendly fabrics, organic materials, and high performance textiles. Additional factors include population growth, rising incomes in emerging economies, and advancements in textile manufacturing technology. Government initiatives, trade agreements, and the increasing global demand for stylish apparel across all age groups also significantly contribute to market expansion.

Coming to Indian Textile Industry, the sector boasts a rich heritage contributing to 2.3% of country's GDP, 13% to industrial production, and 12% to total exports. The textile industry in India is anticipated to double in contribution to GDP, rising from 2.3% to approximately 5% by the end of 2030. The textiles sector encompasses diverse activities from raw cotton production to finished garments manufacturing with a significant portion of the sector remaining unorganized. However, players in organized sectors are driving growth through innovation, efficient manufacturing, and technological advancements. In FY 24, the Indian textile and apparel industry demonstrated resilience and growth wherein the domestic market played a significant role and contributed to the majority of the industry's revenue. Apparel and technical textiles held a significant share in the domestic market. Additionally, government initiatives and a focus on technical textiles offered a boost to the textile industry. The textile sector employs millions and caters to both domestic and international markets, and is renowned for high quality cotton fabrics and, competitive pricing. India is 3rd largest exporter of textile and apparel globally.

Looking ahead, the industry expects consumers to refresh their wardrobes, indicating a return to normalcy despite anticipating more, restrained shopping behavior. Innovative designs, retail expansion, ecommerce growth, and luxury sector opportunities will drive growth. Additionally, free trade agreements with countries such as UAE and Australia provide an exciting export opportunities for India. Securing deals with the UK and EU could further solidify India's global presence and strengthen its position in the international market. Falling inflation in advanced economies is likely to boost consumer spending in calendar year 2024 and 2025, potentially increasing demand for apparel imports and benefiting Indian exporters. I would like to add further insights into the sector specific scenario in which we operate.

Spinning sector.

The Indian spun yarn industry is a global powerhouse, boasting the world's 2nd largest spinning capacity with 48 million spindles. India produces a massive amount of yarn, mostly cotton, for various uses. India's spinning industry is located in the cotton growing regions of Maharashtra, Gujarat, and Rajasthan. India exports around 1.2 billion kilos of yarn yearly, accounting for 30% of the global yarn trade. In FY 24, the cotton spinning sector is expected to expand by 12 to 14% due to shifting, sourcing preferences, and increasing demand. Yarn exports are expected to rise sharply by 85 to 90%, and this will fuel domestic textile and cloth makers demand. However, decrease in cotton prices will likely result in lower yarn realizations causing revenues to drop by 9 to 10% in future.

Denim sector.

The Indian denim industry is world's 2nd largest, driven by abundant cotton, skilled labor, and advanced manufacturing. Embracing modern technology and sustainable practices, it remains competitive globally, contributing to job creation and socioeconomic developments, especially in the rural areas. Looking ahead, the global denim market is poised for growth with a projected CAGR of 4.7% to reach US dollar 87.4 billion by the year 2027. Notably, the Indian denim market is expected to exceed this pace with a forecasted CAGR of 8 to 9% and projected value of US dollar 11.07 billion by the year 2028.

Manmade fiber sector.

India's manmade fiber industry is experiencing significant growth presently ranking second in global production. Fibers such as polyester, viscose, and acrylic are fueling the thriving garment and textile industry. It dominates the global fiber consumption by holding a substantial 70% share of the market. Specially, polyester stands out as the fastest growing with maximum market share in man-made fiber. There is growing demand for products made from man-made fiber with an expected increase of 15 to 20% in polyester production, which is mainly because of increasing demand for both Indian and international markets for clothing, home textile, and industrial products. MMF based apparel products

are expected to lead the future with significant shares in the categories like trousers, sweaters, and dresses. MMF's performance and affordability make it the preferred choice for customers. The fast growing Indian technical textile industry benefits various sectors, including automotive, health care, and aerospace with products that improve functional qualities.

RSWM Business.

The Company's performance remained tippet in 23/24. The outgoing geopolitical crisis subdued demand in both the domestic and overseas markets, and stubborn inflation deeply impacted the performance of the textile and apparel sector. In FY 24, the revenue from operations improved by 7%, rising from ₹3,788.9 crore in FY 23 to ₹4,057.20 crore in FY 24. However, EBITDA decreased by over 61% to ₹131.65 crore, and the EBITDA margins also dropped considerably. Profit after tax decreased to ₹34.92 crore from ₹109.61 crore in the previous year. The decline in profitability was primarily due to substantial increase in input prices, which could not be passed on to the consumers due to challenging market conditions. Also, the total debt as of FY 24 stood at ₹1,777 crore compared to ₹1,151 crore as of FY 23. On a positive note, the total noncurrent assets rose to ₹1,811.69 crore in FY 24 from ₹1449.06 crore in FY 23. However, the shareholders fund increased from ₹1,268.42 crore as of FY 23 to ₹1,309.29 crore as of FY 24.

The possibilities for current financial year 25.

The worst is over for the textile sector as demand for yarn has increased towards the close of FY 24, and it remains steady. With inventory pipelines running dry, industry experts suggest that a demand uptake would transpire in the second half of FY 25. The home textile and denim sectors are experiencing a decent uptick in demand, creating growth opportunities. Also, anti-dumping duty imposed on synthetic dyed fabric predicts well for the demand for synthetic dyed yarns. Internally, RSWM will focus on upping its operational excellence. While cost efficiencies will be paramount in its priority list, the team will focus on new product development.

On the market front, the Company will aggressively expand its geographic footprint and widen the awareness of KAPAAS, its high quality cotton compact yarn. The team will also work on improving the operations of the newly acquired facilities and drawing synergies between its existing operations and the new facilities. As a responsible corporate citizen, the Company intends to increase its reliance on renewable energy sources. It will continue to scale its investment in solar energy. In line with our strategic vision for sustainable growth and innovation, the Company will make a significant investment in a Greenfield project in Jammu. We are marking ₹740 crore for Capex to establish a facility dedicated to the production of Recycled PET chips and Recycled filament yarn. This initiative is a key component of our broader strategy to embrace eco-friendly manufacturing processes and meet the growing global demand for sustainable materials. By focusing on recycling and advanced production technologies, we aim to reduce our environmental footprints while also tapping into new markets opportunities in the green economy.

The Board of Directors is optimistic about the improving economic conditions and believes that the Company is well positioned to enhance the performance and profitability. We are confident that, these positive trends will strengthen our position going forward. I would like to extend my heartfelt thanks to my fellow Board members for their support and guidance during challenging times. I also appreciate our bankers, financial institutions, and the Central and State Governments for their unwavering faith during all odds. A special thanks to our dedicated employees and to our shareholders, the backbone of our Company for their continued support. I look forward to your ongoing commitment in the years ahead.

Best wishes to all of you. Thank you so much.

Company Secretary: Sir, we have also received request from 5 members of the Company who have registered as speaker shareholders in the AGM today. All those shareholders have been provided specific links to log in to the meeting, and they shall be allowed to speak at the AGM when their name is called upon. We request speakers to limit their speech to 3 to 5 minutes for the benefit of other

shareholders. The chairman would be responding to such queries either at the AGM or subsequently through email. If any member face any technical issue, kindly contact helpline, numbers of NSDL as provided in the notice of AGM. Now I would like to highlight the speaker to the speaker that when I take your name, your mic will be opened by the moderator of this meeting. You will, have also to unmute, mic from your end and express your views or ask questions. I now invite Mr. Praveen Kumar, who has registered himself, as a speaker to express his views and ask questions. Please allow him. Mr. Praveen Kumar?

Mr. Praveen Kumar: Am I audible?

Moderator: Yes

Mr. Praveen Kumar: A very, very good afternoon to my respected chairperson for this meeting, esteemed board of director, fellow shareholder, myself Praveen Kumar joining this meeting from New Delhi. I have few observation which I love to share with the entire house. But before that, in this financial year, this is our first interaction with the management. So I wish the entire management team, each and every dedicated employee of our Company, happy, healthy, and prosperous future. Coming down to my observation.

Sir, the most excellent address to the shareholder very, very in-depth, and it is very, very informative for me because it's once in a year event, and we are looking forward to listen to your speech. I am 100% agree with you. Social economical fiber of the world, There are so many concern, challenges due to commodity price increase, Russia/Ukraine war and despite those factors and one of the challenges also is faced by our unorganized sector. But despite those issues, under your leadership our Company is coming out with a very, very satisfactory results. So I'm very, very thankful to your leadership, your dedication, devotion to bring sustainable growth for a retail investor like me. And, sir, my question to the management is, yes, we are environment friendly as per your speech. We are pioneering into, you know, solar power, to enhance our capabilities, but at the same time, saving cost also. My question to the management is now there are lots of uses about AI tool. So in next 3 year, what will be the percentage we are using in our operation? And I whole heartedly support all the resolution is settled for the voting day, and I'm very, very thankful to our, respected CFO, respected CS and their entire team for bringing out higher standard of corporate governance to us. Even during the course of year, if we have any updates that we promptly reply by email, so that's truly boost our morale as far as our investment is concerned in the Company, sir. With this note, I just pray to the lord that he will bless you with all the positivity so that you will take our Company to the near height in the future. And I'm very, very thankful for this opportunity to share my views and observation. I wish you all the luck and all the best. Jai hind Namaskar.

Company Secretary: Sir should I invite all the speakers, or you will, respond 1 by 1?

B M Sharma: As you wish. I can reply now. Thank you, Mr. Praveen Kumar.

Company Secretary: Your mic is mute, sir.

B M Sharma: Yes. Good afternoon, Mr. Praveen Kumar. This is your first interaction, you know, with the Company's management. Just to let you know that, shareholders actually keep coming and visiting, you know, our plant. So I extend invitation to you also whenever time permits and whenever you happen to be in Rajasthan, please, do come and see, you know, what your Company is all about. Now coming to, your question on AI tools and all, I would like to tell you that, the CFO is leading the charge on introduction of, you can say the cutting edge information technology and use of AI in our daily operations. I think 6 months timeline has been defined, and he's working on developing a blueprint that will be put up in the board meeting, and we will, you know, act on the basis of that. We are very much alive to this issue of use of AI tools, you know, in our day to day operations. Thank you so much.

Company Secretary: Now I now invite Mr. Badri Vishal Bajaj, who has registered himself as a speaker to express his views and ask questions. Mr. Badri Vishal Bajaj. Is he there? Yes.

Mr. Badri Vishal Bajaj: Hello? Good afternoon. I'm Badri Bajaj from Hyderabad, sir, and, I appreciate the slogan which, you are raising. It gives much, long vision of the Company. The slogan, what you have given is expand, enhance, and energize. So I support this and the annual report, which is very informative. And, I have some 4 concerns, sir. Yes. You have submitted the detail about Indian environment, about your company, domestic and global competition and all more. About the Company, there are 4 concerns which I want to get answer, which is very much related. I couldn't get from that chairman's speech. One is cotton yarn spread. It is stabilized 100 rupees per kg. So there is no up and down where we face that revenue or margins are affected. One thing. So second one, second question is, our Capex in J&K, which is around 800 crores, it is quite different from our regular production products, which you have explained in different range of cotton varieties and spinning varieties. So in Jammu & Kashmir, are you facing any problem? One thing. Second thing is recycling of chips, yarn, and all. So how do we expect that this Company I mean, this Capex will take how much time to commercialize? That is second.

And, also, your Capex are going to Ginni Filament. You have purchased around ₹140 crores invested money. So you are putting a lot of money whether Capex are taking up that Company, which is much related to our production cycle and expanding. But the global cycle, recently, Bangladesh has become a competition to you because there will be turmoil, and your supply may be affected. Our revenue may be affected. So on that, I didn't see any suggestion from your side. And, also, you have China's import, which is challenge to you. China is doing lot of this one and that import to you. And how do you face this challenge to improve your sustainability? Sir, your ROE, the ROE has gone down by minus 7.5%. Your market cap is 1,027 crores. But along with that, your borrowings have gone up to 1,900 crores. So are these financial jaggery expanding Ginni, J&K and market competition and ROE going to negative? How will you support the shareholders' ambition for going in a greater height? So all these questions, maybe there you can reply to that, and I'm thankful to providing me time and speaking on the system. And I appreciate this RSWM Company, which is landmark in Rajasthan and India. Keep up good height, sir. Thank you. Good day.

B M Sharma: Good afternoon, Mr. Badri. Thank you so much. I believe you must have, gone through, the local Telugu BIP, in Hyderabad this morning where RSWM and RSWM's presence in Tiruppur is very much, you know, highlighted right on the front page. And, the response that we are getting in Tiruppur is fantastic. Now coming to the questions, you know, that you have raised, when cotton yarn is spread, okay, as of now, the volatility in foreign prices actually, you know, continues. What in last 12 months, if you see, the international price or the domestic price, you know, has been varying, very, I would say, violently, you know, in these 12 months or so. In last 1 week, the variation is to the extent of 5%. So that stability is still actually, you know, missing. That's something we would like to see. Now, unfortunately, we do not still have the systems in India which can very effectively estimate, you know, the production of cotton. And unless that is put in place, you know, this volatility is going to continue.

Coming to your second question, which was Capex, you know, in Jammu and Kashmir. Yeah. It's different from, regular. There's no problem in any of the existing plant. We, decided to move to Jammu to take advantage of, you know, a fantastic investment scheme, which was, rolled out by the central government. And many, other players in textile and non textile space, they are also going to Jammu. Overall, you see it's going to be when it gets operationalized, going to be a fantastic, you know, investment. You wanted to know timeline actually for commercial, production. You can say anything between 18 to 24 months. The land has been transferred, you know, recently, and, we are finalizing actually the final points of, you know, this investment.

Number 3, on Ginni investment. Ginni investment was, made, you know, to because we felt, you know, there were lot of synergies between, productions, you know, of, cotton yarn there and, the, knitted fabric. You may be aware we got into knitted fabric segment, you know, last year only. We have just completed 1 year. And with the acquisition of, Ginni, the capacity is almost double, and we are getting

fantastic response. We also have added advantage of leveraging, you know, existing customer base of, Ginni for our own in house. You can say it in production. Bangladesh, China, okay, these things will continue. Bangladesh is returning back to normal. Now Indian exporters have started getting, you can say, orders. The shutdown period is over. You can say in, last 15, 20 days or so, the factories are coming back to life, and things are going to be normal. Unfortunately, India could not take advantage of this. There has been some shift of business from Bangladesh to India, but not to the extent, you know, which was being talked about in the media or in circles. Now, borrowings have gone up basically because of, the 3 major in investments, you know, Capex that we have done in the last, around 18 months or so.

Number 1, of course, you said, Ginni. Number 2, you said, about, Jammu, Kashmir, which is as of now only the land, you know, we have bought. In addition to that, we have set up a state of the art, you can say, combed cotton yarn unit, you know, in. We call it Kapaas which has got fantastic response, you know, from the customers. And one, more cotton spinning yarn Mélange's, you know, HJ 21, which became operational, in, 2023 only. It's only because of that. Going forward, yes, whenever we are making any investment decision, you know, and going for any corporate Capex, we always take into account, you know, our debt servicing, capacity. And based on that, the repayments which are, going to be there in next, you can say, 3 or 4 years and all. And based on that, you know, we moderate our investment. This, overall, you will see you will feel the impact of, you know, the ₹740 crore investment in the FY, 27 and 28. And you will see, actually, you know, by that time when this unit becomes operational, the impact of that, you know, will get also neutralized. We can take the next speaker, Mr. Gupta. Yes.

Company Secretary: Yes. I now invite Mr. Vinod Motilal Agarwal, who is registered himself as a speaker, to express his views and ask question. I think he is not there. He has, I think, communicated that he will not be present. Yes, Abhishek? He's not present, sir. He's not present. So I now invite Mr. Om Prakash Kejriwal, who has registered himself as speaker to express his views and ask question. Mr. Om Prakash Kejriwal. Is there, Mr. Om Prakash Kejriwal? Yes, sir. Please connect him.

Mr. Om Prakash Kejriwal: Hello, sir. Am I audible, sir?

B M Sharma: Very much.

Mr. Om Prakash Kejriwal: Good afternoon, sir. Good afternoon. And good afternoon, everybody attending this AGM myself Om Prakash Kejriwal, shareholder from Kolkata. Thank you, Sir ji, for providing me the link and providing me the platform to speak something before you. Thanks to our secretary department for helping me registration as speaker shareholder, especially thanks to Sanjay for calling me and taking my request. So this is my 3rd AGM only due to virtual. Though I am your very old shareholder. If possible, please follow this virtual AGM and next year also so that more and more investor from different parts of the world can join our AGM and express their views. So, yeah, India is growing, but sorry to say, sir, we are not growing. Our revenue is growing, but net profit is down. So EPS is down to ₹ 7.41 in a strong account. Previously, it was rupees to ₹28.13. In consolidated account, our EPS is negative to be ₹ 4.47.

Previous ₹ 31.52. First question, sir, it means, are we selling our finished products at low margins? 2nd question, and some of our subsidiary is making losses. Have you identified the subsidiary that making losses and what steps you have taken to control the losses? So what is your expectation for current year? Do we give dividend current year? So, yeah, I have one suggestion to you. Please try to make our Company as an uninterrupted payment paying Company, sir. Please distribute some dividend, either 1 rupee, 2 rupee, 3 rupee, but do not skip, sir. So the quarter you have told that there is, more volatility in prices. How it is cotton, cotton crop is out. How much? And, are you getting the cotton at required price and, quality product, what you have required? So do tell on both front. Tell you one request for CSR.

B M Sharma: Yes, please.

Mr. Om Prakash Kejriwal: Just a minute, sir. For CSR, you have to spend 2% of the net profit. So please use some of CSR fund to provide drinking water near your business points, factories, and nearby villages. And secondly, please use some of CSR point for betterment of cancer patients because we know after corona disease, 1 or 2 members of each family is suffering from cancer disease. Early AGM, sir. Sir, you have done your Board meeting on 24th May, and today, you are conducting the AGM. So please try to convey and conduct the AGM at early date from next year, sir. Okay. Sir please do remember speaker shareholders at that time of festivals in the same manner as you remember your friends and relatives and suppliers. At last, sir, please maintain your smile and be cheerful. We are always with you as a long time investor. Thank you. Thank you, sir.

B M Sharma: Thank you so much, Mr. Kejriwal. Always a pleasure, actually. You know, seeing you in AGM You have been very, very regular, you know, over the last 3 years. And, good to actually, you know, interact with you. Next year, virtual or, it will happen or not, I think, we would like to have it, you know, virtual meeting only. And, let's see. In case all goes well, you know, it will be like this only. You are concerned about EPS, very genuine concern, and we are also actually, you know, always talking about it, looking at it. There have been some challenges on the front of raw material prices across, you know, all the products, all the verticals and yeah. Of late, like, in the, second half year of, FY 24, there have been, some positive moments, but, let's see that. Entering actually this financial year, and you will see some, positive changes actually coming in the second half year of this financial year also.

Uninterrupted dividend, that's our dream too, but all depends, you know, how, like, the markets, play out in India and abroad. As of now, the, geopolitical situation is not very conducive actually for the, business, you know, especially of textile with discretionary expenditure, you know, coming down in all the western countries. And, the, economy is actually struggling, you know, with double digit inflation. There have been challenges, you know, in that front. Let's hope that, you know, going forward now, the economies are returning back to actually, you know, the, pre-war status. And, the central banks of, Europe and the US have started taking a positive, you know, look on the interest rate. Let's see that, the second half year, you know, this financial year is good for everyone. CSR, you said keep, 2% yes we spend. We spend actually more than 2%. You know what we are required to spend on. We are spending a part of it on, providing drinking water in the state of Rajasthan. That is very much, you know, there. And, for, cancer treatment and all, I would like to tell you that we have been organizing actually camps, you know, in our units by inviting doctors and other experts, you know, about cancer awareness and providing assistance, you know, that may be needed in lifestyle management of people who are residing in a in the vicinity of, you know, our units.

Cotton crop, well, when we started, you know, this, cotton year 24, I mean, October 23 to September 24, the estimate of cotton was something around, let's say, 300, lakh bales. You know? And as of now, the estimate which is there, two figures are still not firmed up, 330 lakh bales, and that has, severely, you know, impacted the pricing of cotton also. As I said, additionally, you know, I wish that there was a system robust system, you know, of recording, cotton cultivation production, and we can have a fair estimate, you know, in advance. Unfortunately, you know, it's not there. Going forward, different, queries are being floated. Someone is saying in one reason because of excessive rains, you know, the crop is damaged. Another one is saying that there will be, you know, good production because of, the heavy rains, which especially, you know, is happening, say, in August September. So difficult to say, as of now, international markets also, like, different reports are coming, you know, from Brazil and US. And on daily basis, something keeps happening. You know? AGM, well, early date, Surender Gupta ji, we can discuss about it, next year. You know, you can see depends on the availability of, you know, all the directors, all the stakeholders here who are required to be present in the meeting, and we can see. And, let me assure you, you and every person associated with RSWM is very much in our thoughts. Whenever we are talking, we are celebrating, you know, any festival. So, we'll request to, you know, Company Secretary to keep you in thoughts now when you get into, you know, Diwali phase. Thank you so much.

Company Secretary: Sir, I now invited Mr. Dnyaneshwar Kamlakar Bhagwat, who has registered himself as a speaker to express his views and ask questions. Is he there?

Moderator: Yes, sir.

Yeah. Please. Please connect him.

D K Bhagwat: Am I audible? Hello? Am I audible?

Moderator: Yes.

D K Bhagwat: Yeah. Thank you very much, sir. Thank you, sir. Thank you. First of all, good afternoon to all the Board members, those who are attending the meeting from all over the India. My name is D K Bhagwat, or you can say D K Bhagwat from Mumbai. I'm thankful and now I'll come to your business. I'm thankful to our dynamic Company Secretary, Mr. Surender Gupta, for sending me a soft copy of annual report as well as hard copy of the annual report very near once, which is full of information, fact, figure are in place. Also, very easy to understand. So I thank to you, sir, and your team for excellent work. Secondly, sir, again, I thank to Mr. Surender Gupta for drafting excellent AGM copy, which colorful have green, colorful green having those beautiful words enhance, expand, and energies. Sir, again, I thanks to him because he has done excellent work. Secondly, acquiring Ginni Filament. Next page, informs about the Company commitments, training, and core business, and lot of things, sir. Sir, I support all the resolutions. Sir, I have no more question about the financial part. I only 2 questions, sir. Sir, how much skill and unskilled labors are working in our premises? Secondly, what impact do you have for unorganized sectors? And thirdly, who is our main competitor? Fresh, for coming festival, I wish you good luck. Thank you very much for patient sharing. Thank you, sir.

B M Sharma: Okay. Total skilled, and, good afternoon, Mr Bhagwat. Total, you can say engagement of, people, you know, in RSWM, as of now, is something around, 19,000, includes skilled as well as unskilled. Most of them are skilled. What happens is when one unskilled worker, you know, joins in 60 days, you know, he is given, on the floor training, and then he is ready actually, you know, to take over. And, what was the other question? I missed it.

Company Secretary: Competitors, he was asking about.

B M Sharma: Competitors. Okay. Well, depends, like, you know, in which space you are operating, you know, like, as a Nitin Spinner and, majorly, you can say in synthetic. There are players, you know, who are activity, doing good volumes. I mean, like, we have, you know, and, we, keep a sort of watch on happenings in these companies also and, compare, you know, our performance with them. That's what is done. In Denim like, Arvind and Raymond are 2 biggies, and, the plant operations in our case are, you can say, 95%. Not many companies in denim are, you know, operating at that level because denim is going through a sort of a tough phase. You know? The average capacity utilization in denim is something around 70% if you talk about, you know, industry as a whole. So knitted side, it's a new business, you know, for us, like, only 1 year we have completed. Going forward, you will see actually, you know, this business, giving us good volume and good profitability also. The business has, broken even, you know, as of now, I can say. And going forward, you know, we'll start generating positive results also. Thank you so much.

Company Secretary: That was the last speaker. So is there any query in the chat box? Not seem to be. Sir now, I request you to, take up the, agenda of this AGM and, explain the motive and all that of the resolutions, proposed for, to be passed by the members.

B M Sharma: Today we have 6 resolutions for approval in the annual general meeting agenda.

Item number 1 by way of ordinary business to receive, consider, and adopt the audited financial statements including consolidated audited financial statements for the financial year ended 31st March 2024, and the report of directors and auditors, thereon. The resolution is placed before the meeting to be passed as an ordinary resolution.

Item number 2, ordinary resolution to appoint a director in place of Shri Ravi Jhunjhunwala, DIN:00060972, who retires by rotation and being eligible offers himself for reappointment. The resolution is placed before the meeting to be passed as an ordinary resolution.

Item number 3, since I am myself interested in this item, I request Dr. Kamal Gupta, Independent Director of the Company to chair the meeting for this item number 3.

Dr Kamal Gupta: Thank you.

Item number 3 is ordinary business. It is to appoint a director in place of Shri Brij Mohan Sharma, DIN:08195895, who retires by rotation and being eligible offers himself for reappointment. The resolution is placed before the meeting to be passed as an ordinary resolution. I now hand over to Shri B. M. Sharma for the next item.

B M Sharma: Thank you so much, Dr. Gupta.

Item number 4, by way of a special business, appointment of Shri Suman Jyoti Khaitan, DIN: 00023370, as an independent director of the Company for the 1st term of 5 consecutive years up to 8 August 2029. The resolution is placed before the meeting to be passed as a special resolution.

The next item? The next item, I, hand over once again, chair to Dr. Kamal Gupta for the next item. Item number 5.

Dr Kamal Gupta: Thank you. This is item number 5, which is a special business. It is regarding reappointment of Shri BM Sharma DIN:08195895 as Joint Managing Director of the Company for a period of 2 years up to 6th August 2026. This resolution is placed before the meeting to be passed as a special resolution. I now hand over Shri B. M. Sharma to chair the meeting for the rest of the items.

B M Sharma: Thank you so much, Dr. Gupta.

Item number 6, special business. Ratification of remuneration payable to M/s. N D Birla & Company, Cost Accountants Firm Registration No.000028 as Cost Auditor of the Company for the financial year ending 31st March 2025. This resolution is placed before the meeting to be passed as an ordinary resolution.

Members who have not cast their vote through remote e voting or e voting during the proceedings of this AGM are requested to kindly vote on the proposed resolutions, resolution numbers 1 to 6 of the notice of AGM.

The e voting module in the AGM is already active. The icon for e voting is available on the screen, which will redirect you on a separate window to e-voting portal of NSDL. The e voting facility is active and will be closed along with the closure of the meeting. Members may please note that the results will be declared within 2 working days that is on or before 17 September 2024. After considering the e voting done today by members participating in this AGM and also the remote e voting already done by the members.

To further inform that the results along with the scrutinizer's report shall also be submitted to the stock exchanges that is NSE and BSE and will also be placed on the website of the Company and NSDL.

So all the businesses set out in the notice of this meeting have been concluded, and a time period of 15 minutes would be available for the voting and the meeting after which the meeting will stand closed.

I thank all the participants, in this AGM. Thank you so much. Stay safe. Stay healthy.

Chairman : And thank you, Mr. Sharma, for conducting the meeting on my behalf and, answering all the questions. Thank you.

B M Sharma: Thank you, sir. Thank you, sir.

Company Secretary: So I now request the NSDL team to put the timer for voting e voting

E-voting