

TRANSCRIPT OF THE 60TH ANNUAL GENERAL MEETING OF RSWM LIMITED HELD AT 14.00 IST ON WEDNESDAY 15TH SEPTEMBER, 2021 THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS.

Surender Gupta

Good afternoon. I Surender Gupta, Company Secretary and Compliance Officer of RSWM Limited participating this meeting from Noida welcome you all in the 60th Annual General Meeting of the Company. I would like to inform you that the proceedings of this meeting are being recorded during the meeting. The participants apart from panelist 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 311021, District Bhilwara, Rajasthan.

Shri Riju Jhunjhunwala Chairman and Managing Director and CEO, 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 PS Dasgupta, Independent Director, Mrs. Archana Kapoor, Independent Director and Shri Deepak Jain, Independent Director are present in the meeting.

Shri Riju Jhunjhunwala, Chairman and Managing Director will chair the meeting. Since this AGM is being held without physical presence of Members, the facility of appointment of proxies 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 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 the 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 12th September, 2021, 09:00 AM to 14th September 2021 05:00 PM.

Members attending AGM today and who have not cast their vote 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 within 48 hours, i.e. on or before 17th September 2021, 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 Scrutinizer Report shall also be submitted to Stock Exchanges, i.e. NSE and BSE and will also be placed on the website of the Company.

The Notice of Annual General Meeting and Annual Report were mailed electronically to the shareholders at their email address registered with the Company or depository participants by August 20, 2021. The members were provided an opportunity to inspect relevant documents accompanying the Notice of 60th AGM.

The statutory registers maintained as per the Companies Act 2013, are kept open electronically for inspection by the members during the AGM. At this moment 61 participants have joined. Hence, the requisite quorum is present.

Now I request Chairman to please welcome and address the Members present at the meeting and also to declare this meeting open.

Riju Jhunjhunwala

Thank you Mr. Surender Gupta. Good afternoon everybody. I Riju Jhunjhunwala Chairman and Managing Director of the Company joining this AGM from Gurugram, welcome the members to the 60th Annual General Meeting of your Company. I would like to mention that in view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and therefore this AGM today is being convened through video conferencing or other audio 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 to order. I welcome other colleagues on the Board of your Company to the 60th Annual General Meeting. Let me ask the Board of Directors to introduce themselves.

Mr. Ravi Jhunjhunwala.

Mr. Ravi Jhunjhunwala

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

Mr. Riju Jhunjhunwala

Thank you.

Mr. Shekhar Agarwal.

Mr. Shekhar Agarwal

Good afternoon. I am Shekhar Agarwal a Director of the Company. I'm a member of the Nomination and Remuneration Committee and the Stakeholders' Relationship Committee and I'm joining this AGM from New Delhi.

Mr. Riju Jhunjhunwala

Thank you Shekhar Ji.

Shri Brij Mohan Sharma.

Brij Mohan Sharma

Good afternoon everybody. I am Brij Mohan Sharma, Joint Managing Director of the Company. I am joining this AGM from Kharigram, Bhilwara.

Mr. Riju Jhunjhunwala

Thank you Mr. Sharma.

Shri Arun Churiwal.

Arun Churiwal

Good afternoon. I'm Arun Churiwal, Director of the Company and I'm attending this meeting from Kolkata.

Mr. Riju Jhunjhunwala

Thank you Mr. Churiwal.

Dr. Kamal Gupta.

Kamal Gupta

Good afternoon everybody. I'm Dr. Kamal Gupta, an Independent Director of the Company. I am Chairman of Audit Committee, NRC, Stakeholders' Relationship Committee and member of Risk Management Committee. I am joining this AGM from my residence at Noida.

Mr. Riju Jhunjhunwala

Thank you Gupta Ji.

Shri P. S. Dasgupta.

P. S. Dasgupta

Good afternoon dear shareholders. I am P. S. Dasgupta, an Independent Director of your Company and I'm happy to join this AGM from my office in New Delhi.

Mr. Riju Jhunjhunwala

Thank you Dasgupta Ji.

Mrs. Archana Kapoor.

Archana Kapoor

Good afternoon shareholders of RSWM. I welcome you all. I'm joining this AGM from my residence in New Delhi and I'm an Independent Director and a member of Audit Committee. Thank you.

Mr. Riju Jhunjhunwala

Thank you Mrs. Kapoor.

Shri Amar Nath Chaudhary.

Surender Gupta

Sir, he's travelling. He might join later.

Mr. Riju Jhunjhunwala

OK.

Shri Deepak Jain.

Deepak Jain

Good afternoon everyone, I'm Deepak Jain an Independent Director of your Company. I'm joining this meeting today from Gurugram along with Chairman.

Mr. Riju Jhunjhunwala

Thank you Deepak.

All the Directors are present in this meeting, except Shri Amar Nath Chaudhary, Directors of the Company who have conveyed the inability to attend the meeting due to unavoidable reasons had

sent their good wishes and greetings to all the Directors, KMPs' and members present in the meeting. We have also with us the representative from our Statutory Auditors, Shri Yogesh Kumar Gupta from M/s. S. S. Kothari Mehta & Company and Shri Gaurav Lodha from M/s. Lodha & Company.

Shri Yogesh Kumar Gupta.

Yogesh Kumar Gupta

Good afternoon everyone. I'm Yogesh Kumar Gupta partner with M/s. S. S. Kothari Mehta & Company Statutory Auditors of RSWM. I am attending this meeting from Gurugram. Thank you.

Mr. Riju Jhunjhunwala

Thank you Mr. Gupta.

Shri Gaurav Lodha.

Gaurav Lodha

Good afternoon Sir. I am Gaurav Lodha partner of M/s. Lodha & Company and I'm joining this meeting from my office.

Mr. Riju Jhunjhunwala

Thank you Lodha Ji. We also have with us the representative from our Secretarial Auditor. Shri Mahesh Kumar Gupta, M/s. Mahesh Gupta & Company, Company Secretaries New Delhi.

Mahesh Kumar Gupta

Good afternoon, I'm Mahesh Kumar Gupta, Proprietor of M/s. Mahesh Gupta & Company. I'm attending this meeting from my Delhi office.

Mr. Riju Jhunjhunwala

Thank you, Mr. Gupta. We also have Shri Avinash Bhargava, CFO 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, 2021, 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 auditor's report on the financial statements and the secretarial audit report of the Company for the financial year ended 31st March, 2021 do not contain any qualification, reservation,

adverse remark 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 of you. I feel delighted in welcoming you all to the 60th Annual General Meeting of RSWM Limited. I sincerely hope that you and your family members are safe. As I look behind the financial year 2021, it has been a year of COVID-19, lockdowns adapting to new ways of working and a lot of uncertainty around all of us.

As the pandemic rages around the world, it brought in disruption for each one of us, for our families, our communities, for organization, and even for countries. At the outset, I would like to present a brief overview of the state of the economic conditions in the country as well as the textile industry.

The past few months have brought a string of upbeat news in the global economy suggesting a vigorous recovery from the COVID-19 crisis. World merchandise trade has improved and already crossed pre pandemic level.

Similarly, global industrial production has seen a V shaped recovery towards the end of last year. Following the sharp contraction in 2020, the global economy is now projected to expand by 6% in calendar year 2021 and 4.4% in calendar year 2022. The Indian economy emerged from recession and returned to growth in the quarter of October to December 20. It grew by 0.4% in the 3rd quarter of FY21, which is a sharp improvement from the negative growth of 24% and 7.3% in the preceding 2 quarters.

Before the COVID wave or second wave of the COVID pandemic hit the country, India's GDP grew 1.6% in the 4th quarter of 2021. India's Gross domestic product grew 20.1% in the first quarter of 22 benefiting from 24% decline in the same quarter a year ago. The World Bank projected Indian economy to grow at 7.5% in 2022, even as its recovery is being hampered by an unprecedented second wave of COVID-19.

The textile industry: COVID-19 lockdown has severely damaged the textile sector, halting operations for nearly 2 months in the financial year 2020-21. The sector that was impacted by the pandemic has managed to turn the crisis into an opportunity. By acting as a game changer, the role of technology in strengthening the industry's potential has resulted in increased sales that will continue to persist even in the forthcoming years.

Indian textile industry is entering into a no holds barred kind of a phase where the sky is the limit provided the sector gets robust support from the government in terms of policies, promotions and incentives. Experts across the textile industry are unanimous that an embargo on Chinese textiles and apparel imports would augur well for the Indian textile industry, since China has been dumping a lot of their products into the country at dirt cheap prices.

Also, with a ban on Chinese textiles there is a possibility of Indian traditional textiles getting more recognition in the domestic market. FY21 will go down in history as a year where the

most unexpected transpired. What was expected to be a bloodbath for the spinning sector turned out to be a boom for the spinning players, most of them registering their best quarterly performance by the end of the financial year.

The spinning sector entered FY21 bracing for a disaster. As per estimates by ICRA at the start of FY21, the Indian cotton spinning sector would have logged a 25 to 30% year on year decline in revenue and a 300 to 400 bps contraction in operating margins in FY 21 amid COVID-19 led disruptions in manufacturing activities. The man-made fiber textile segment was one of the worst hit in this epidemic. The sector incurred significant losses and a funds crunch, owing to cancellation and deferred orders. Going forward, the focus will be on new emerging sectors of technical textiles and man-made fibers.

The pandemic has challenged the fashion sector in the nation. This impacted business operations for a number of organized players. As for a new denim market report, global denim will now grow at 6.2% during the forecast period of 2020 to 2027. Growing demand for recycled denim manufactured using plastics and other materials are expected to create new opportunity in the market.

Now I will come to the RSWM part of the business. FY21 was a catalyst for change. Companies with a sharp mind to envision this change and having the agility to prepare for it were the ones who reported better financial numbers despite the highly unpredictable ecosystem. RSWM happens to be one amongst them. FY21 was a very satisfying year for us because we made structural changes which we believe were critical for sharper focus of business growth.

RSWM Yarn business was ready on the uptick as the demand for yarn suddenly surged in the second half of FY 21. The denim business after dismal start owing to the lockdowns performed better with increasing demand from existing customers. The Company added important global brands to its portfolio which lends optimism for improved volumes during the coming years.

RSWM realizes the importance of the changing business environment and framing the blueprint with growth, profitability and delivery at its centerpiece. To fight the challenging environment and counter the risks associated with it, RSWM has devised very efficient risk management framework. The Company has also taken various decisions and steps to overcome challenges which included rationalization of costs and monetization of investments in inoperative fixed assets, optimized use of its capacities, availment of moratorium period for loan repayments as per RBI guidelines and of availment of financial assistance in the form of working capital facilities under COVID-19. Due to all these measures taken by your Company, it could sustain its operations and started returning towards normalcy from the 3rd quarter onwards. The Company is also focusing on value addition and improving the product mix and improving its operational efficiencies.

I now draw your attention to the overall performance of your Company in 2021.

For a year, which started with a nationwide lockdown owing to a global health care emergency, the financial outcome at the end of the year is extremely satisfying. Owing to the loss of the business operations for the first 2 months of the fiscal, the Company's turnover declined from ₹

2771 crore in FY 20 to ₹ 2326 crore in FY21. The slide in numbers in the first half of FY21 was arrested by sudden spike in the demand for Yarn accompanied by higher realization in price.

Despite the trend reversal, the overall business profits and profitability was impacted for the year. EBIDTA stood at ₹ 215 crores in 2021 in FY 21 as against ₹ 263 crores in FY20. The Company also recorded profit after tax of ₹ 21.6 crores as against a loss of ₹ 22.6 crores in the previous financial year. Despite an uncertain start, we reported healthy profits. This vindicates the relevance of our strategy and its accurate execution. Moreover, I feel optimistic about opportunities of increased profitability that appeared over the horizon.

In the current year, your Company is investing around ₹ 300 crores across our business segments, comprising of setting up 20,000 spindles of combed cotton at our yarn facility in Mordi, setting up of 8.4 million meters of denim capacity for sheet dyeing and finishing capacity at Mordi and setting up of 30,000 spindles of Mélange yarn at our largest unit in Kharigram. This is apart from the modernization and balancing equipments across all the locations during FY 21-22.

On behalf of the Company and its Board of Directors, I assure the Members that your Company would continue to offer world class products to its customers.

The Company's focus on sustainability is testament with commitment to the protection of environment by recycling waste and converting it into wearables.

Now I would like to draw your attention towards the results of the first quarter of the current fiscal 21-22 where, despite the second wave of COVID-19 and the lockdown restrictions in many parts of India, the Company recorded a higher turnover of ₹ 741 crores as against ₹ 251 crores in the corresponding quarter. The Company earned a net profit of ₹ 38 crores in the first quarter of 21-22 as against a net loss of ₹ 65 crores in the previous quarter.

We are hopeful that the Company would continue to sustain the momentum over the coming quarters building upon what we have achieved this far and executing our blueprint with disciplined determination. The Company would strive for improving its performance and profitability in future to emerge stronger. I'm highly optimistic about our performance in FY22.

Some acknowledgements: I would like to take this opportunity to express my sincere gratitude towards my colleagues on the Board for their valuable guidance and advice for the Management of the Company. On behalf of your Company's Board, I also take this opportunity to express my sincere thanks and gratitude to all our bankers, financial institutions, Central and State Governments, stakeholders for their cooperation and support, particularly during these very difficult and challenging times. Our employees, who are a part of this RSWM family are the real source of our success.

Last but not the least, our deepest gratitude to each one of you, our shareholders, and I look forward to your ongoing support. Thank you very much.

Surender Gupta

So now we have also received the requests from 3 members of the Company for registration as speaker shareholders in the AGM today. All those shareholders have been provided specific links to login to the meeting and they shall be allowed to speak at the AGM when their name is called upon. We request, speaker 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 issues, kindly contact helpline numbers of NSDL as provided in the notice of AGM.

Now I would like to highlight to the speaker that when I take your name your mike will be open by moderator of this meeting. You will have to also unmute your mike from your end and express your views or ask questions.

I now invite Mr. Rajendra Prasad Tulsian DPID No.IN301604 and Client ID No. 12382999, who has registered himself as speaker to express his views and ask questions.

Mr. Tulsian.

Rajendra Prasad Tulsian

Good afternoon sabhi board members ko mera namaskar. Abhi mene Chairman saab ka speech suna aur usse bahot accha laga ki Company ne 2021 ke andar, pandemic ke hote hue bhi first half arrest kiya aur second half aapne bahot achha performance diya. Me to kahunga aapne March quarter me to sixer lagaya. Me chahta hu March quarter ke result itself show karte hai. Kya me ye man kar chalu ki March '21 ke jo result thaen quarter ke kya vo replica honge? Ye mera ek saval rahega, aapse apni baat puri karne ke baad. Secondly, me ummid karta hu ki aapne pandemic me hamare sabhi karmchariyo ka bhi dhyan rakha hoga kyunki karmchari jo backbone hote hai Company ke aur shareholder ke baad sabse zyada grass route par vahi kaam karne vale hote hai jinse aap aur me bahot khus-numa-mijaaj me baat kar rahe hai. Aur jo bhi data hamari balance-sheet me hota hai uske ander saara role 99% role karmchariyo ka hota hai. To ab me ummid karta hu ki aap iske upar 2 shabd bolenge to unka husala afjahi hoga. 3rd baat ye hai ki aapka quarter 4 ka result to bahot badiya raha, excellent result raha. Lekin June quarter me jo hai vo hamare result year to year ke basis par bahut accha raha excellent raha lekin agar aap March ke result se karte hai to me to tarif kam karna chaunga na taki kaam aage achha ho. To mujhe aisa lagta hai jo march quarter me jo bandh kiya '21 me, vo June me replica hona chaie tha, lekin me aapke defence me boldu ki aap kahenge ki bhai usme April-May hamare yaha thodi se pandemic ki problem thi. Ye ho sakta hai ki hamare Company bhi usse affected ho. Me aapke defence me bol raha hu. Attack karne ka mera koi irrada nai hai. Kyunki performance aapne June me bahot aachi di hai. Ab savaal ye hai ki past I cannot change jo June me hogaya jo hogaya accha hai bahot achha hai. Me current quarter ki baat karunga aur current year ki baat karunga. Current quarter kyunki ab jab hum baat kar rahe hai pure 2.5 mahine ho chuke hai. You can very fairly tell ki current quarter kaisa chal raha hai. Usse kya hoga ki kyunki hum 1 saal me 1 hi baar milte hai. Haa chalo boldu ki aapki management team badi acchi hai. Aapne parichay badi aachi tarah se karaya aur sab ne parichay bahot khus mijaj tarike se diya. Jabki AGM me directors ka parichay hota hi nai hai iss tarike se. To aapko badhai aur sabko. Muje aacha laga ki aapne

professional tarike se meeting conduct ki. Aur muje bhi madad mili hai ki team se 2 baar call bhi aaya hai, contact kiya hai. Aur shareholder ko dhyan de, shareholder ko aisi companiya bahot kam hoti hai jo management ke alava bhi non management shareholder ka dhyan rakhti hai. Muje accha laga to me acchi tarah se baat bhi kar pa raha hu. Next baat muje ye kehni thi ki muje aapse shikaayat hai personal aap dhyaan rakhiega chairman saab. Muje sikaayat ye hai ki aapne bahot achhe se baat ki aapne speech me. Lekin aapne PLI ka jikar nai kiya. Me chahunga chalo accha kiya ki muje mauka diya bolne ka. To PLI ke bare me me bolna chahunga ki aap usme thoda prakash dale. Muje ummid hai ki hamari Company ko bhi PLI se kuch fayda jaroor hoga. Aaj aacha mauka hai sanyog bhi hai ki aap usse bata sake. Cabinet ki dusri meeting ke andar PLI uske liye aa raha hai auto sector ke liye. Hamara to approve ho chuka hai. Agar aap thik samje ki iss AGM ke under iss par aap bolna chahe, bahot accha lagega aur hume bhi pata lagega. Aur last me me ye kehunga ki Company ki thodi Company ki branding jo hai vo jesi thi vesi dikhai nai deti. Aap isse sikayat me le kaise bhi le. Hum aache hai vo bahot acchi baat hai lekin ab dikhni bhi chaie marketing ka jamana hai, publicity ka jamana hai. Jitney aap publicity karenge utna kaam zyada failega hum local me badiya hai, global bhi badiya hona chaie, local me kaam karke. To mera me ye emphasis rahega aaj iss opportunity ko encash karne ka kya ye achha ho aagle half year me aap iss par bhi dhyan de paye ki hum apni publicity aur branding kaise behtar kar pae kyuki ab bahar growth bahot hai. Jo aapne GDP ki aachi definition di hai mene suna to muje bada accha laga tha ki GDP growth, delivery aur profitability ye bahot aachi baat aapne ye is speech me kahi. Muje accha laga ki RSWM agar isme sochti hai GDP ki nai definition banai hai ye bohot aachi definition hai me isme add karna chaunga agar aap karsake to thodi publicity aur marketing ko bhi aap approach kare. Usse kya fayda hogा ki share holder ki value banegi, to shareholder dividend me visvas ni rakhta, me bata raha hu aapko me dividend ke bare me jikar nai karta me batatu aapko. Aap dividend na dena chaie mat dijie. Aap Company ki growth, profitability aur shareholder ki value ko badha pae. Last me me ye bolna chahunga aapse ki government ne bahot saari scheme nikali hai jiske under hume financing aasaan karne ki kosis ki hai government ne. Hamari cost of financing kam karne ki kosis ki hai. Kya RSWM is disha me kadam utha raha hai taki uski profitability badhe. Last bas last baat Muje pata hai ki itni badi baatchit nai ho sakti hamari lekin time 1 hi baar milta hai hume bolne ka to me ye kahunga ki last me isme bhi prakash dalenge ki hum isme kya karne ja rahe hai aur kese cost of capital ko hum gatae taki humari nutshell value badha sake aur nai production kaayam ho. Dhanyawad aapko jo aapne 20,000-30,000 spindle lagane ki baat ki hai. Thank you very much. Again thank you.

Riju Jhunjhunwala

Thank you. Tulsian ji aapne 6 point raise kiye hai. Me 6 ka javaab dene ki kosis karta hu aapko. Pehle aapne kaha January, February, March profit numbers hai vo ye hai sir aap dekhiye last year jo hamara last 3rd quarter tha uske baad lockdown jab khula to saari pent up demand saari textile pent up demand thi vo January, February, March me bahar nikal ke ai aur traditionally bhi aap dekhenge ki hamare har saal nikal lije pichle 10 saal ke January, February, March is always the best quarter of the year and this time it was exceptionally good because of the pent up demand jo pehle se khatam hone ja rahi thi. To January, February, March bahot badiya quarter raha. Jiske karan bahot aacha hua. 2nd aapne employees ki baat kari to from the management to the employees hamne pura communication jaari rakha hai infact covid times me jitney bhi management saare employees ke bichme jitna bhi coordinaton badha because of zoom meeting, because of structured meetings uske kaaran hamara bahot badha employees ka motivation

kaayam raha hai aur vo grow kiya hai covid ke times me. Beech me thode kade aur dukhad ye sab steps lene pade tha employees ke uper ki salary cut ye cut vo cut lekin jese hi Company ko mauka mila, jaise hi things started turning jese hi 70% utilisation hone lagi humne un sabko reverse kar diya aur saare jitney bhi employees thaes unhe make sure ki no employees is demotivated and even it comes to retrenchment to the employees jitna kamse kam ho sake covid ke times me employees ka pura dhyaan rakhne ki kosis kari gai hai. Jo saare covid injections ho ya covid support ho ya Company ki taraf se jo salary cut kiye gae thaes 1st two quarters me un sab ko reverse karke previous times me because aapne jese kaha employees are the strength of RSWM and we want to keep it that way. 3rd aapne kaha ki April-June me aapne mere defence ki baat kardi aur bahot sahi baat kardi. April me lockdown vapis ho gaya tha April me slowdown ho gaya tha, Ye Covid ke 2nd wave ki vajah se April ka jo mahina raha vo Company ke liye bahot difficult raha. Jisme hamari full capacity utilise nai ho pa lekin May aur June me cover kiya hai kisi tarah. Iss liye April May June me profit number deekh rahe hai January, February, March se thoda kam raha hai. Coming to your this thing ki aagae vale period ka performance, aage ka to nai bata sakta lekin but I definately say that Company is on way to perform better then what we have done in 1st quarter of this year then we'll see the 2nd quarter and we'll see the 3rd and 4th quarter shaping up and unless kuch aisa hi Covid ki vajah se ulta siddha ho jae jo na mere haath me hai aur kisi ke haath me hai but everthing point towards the better performance compared to April May June. Government ki PLI scheme jo hai that is basically aimed at man-made fiber industry for large investments with an aim for Company to achieve 1,000 crore of garment exports. Jab aap 1,000 crore ke garment export karenge tab aap 400 crore invest karo and then you will get advantage of government PLI scheme. So obviously it's a good scheme. It will help some large companies who are already into the garment field who can achieve the turnover of 1,000 crore only based on garment. It will help lot of them and RSWM being the prominent player in man-made fiber yarn space we'll get an opportunity to sell our yarn to such companies directly taking advantage of PLI scheme is something we are studying and we'll come back to you as and when we have decided on that. Market aur branding ka jamana hai aapne bilkul thik kaha. Company ki taraf se hamne jese aaj saare quarter ke baad we have started now since last year quarterly investor call. We would encourage you and other investors also to particate in those calls, saare details aapse share karenge aur jitna RSWM ki branding publicity and all, in the required forum in B to B space then we'll try to take your suggestion we'll try to do that. Chati baat aapne jo ki state subsidies and all, hamne saare investment abhi jo mene 3-4 investment ke baare me baat kari spindle lagane key liye, hamare denim facility ke, all these expansions are being done in state of Rajasthan itself. The state has very conducive RIPS policy. Rajasthan Investment Promotion Scheme Policy. And the textiles is also covered and we are getting good interest subsidies too from Govt. depending upon the location and project from between 4% to 6% of interest cost. The Company is already taking subsidies, all the loans we were taking this year to the tune around ₹ 250 crores will all be financed under this 5% interest subsidies scheme, so your question is very correct we will get the advantage of the government schemes. To ye 6 hai aapke question and hope I'm able to answer all 6 of them.

Surender Kumar Gupta

Now I invite Mr. Ramesh Shankar Golla DPID No.120101900 and client ID No.19684471 who has registered himself as speaker to express his views and ask questions.

I think he has lost connection, so I move to next speaker.

I now invite Miss Vasudha Vikas Dakwe DP ID No.IN302679 and client ID No.33314087 who has registered herself as a speaker to express her views and ask questions.

Vasudha Vikas Dakwe

Very good afternoon. Respected Chairman Sir, Board of Directors and my fellow shareholders. Myself Vashudha Vikas Dakwe from Thane. I would like to Congrat our Company Secretary for sending me the soft copy of the report well in advance, which itself is clear and transparent.

I would like to ask what is your next 2 years Capex plan? Secondly, I would like to ask, are you planning to open new outlets in our Maharashtra Mumbai thane side?

With this I support all the resolution. Thank you very much and wish the Company all the best for coming financial years and wish the Company all festivals Ganpati Diwali Dasara. Thank from myself.

Riju Jhunjhunwala

Thank you Vashudha Ji for all your good wishes. As regarding the Capex iss sal hamare capex 300 crore ka hai, which is already on the higher side but we are not stopping at that for the next 2 years. Also, we are making certain Capex plans which will be shared as and when they are cleared by the Board. We are trying to enter couple of new segments for which plans are being made right now which are related to our current businesses. So Jese hi vo plans clear ho jate hai, we will be announcing them immediately after our next Board meeting. As far as your question about opening outlets on the Thane side, you will be pleased to know that our brand, the fabric brand that we had made the Mayur, we have passed it on to another Company.

We sold it to another Company which is Donear, which is all in the public domain which has already been done. So Company on its own don't have any plans of getting into the B 2 C space. For fabric, so right now we will not be having any plans of opening any factory or outlets in the Thane region, I mean we were not present over there. Thank you.

Surender Kumar Gupta

Sir, now I have few queries in chat box. If you permit I can I take them.

Riju Jhunjhunwala

Yes please.

Surender Kumar Gupta

Sir, first query from Mr. Ashish Kumar Bothra. Since last 5 years, Company's top line growth is almost nil. How Company will lead without growth in sales?

Number 2 from Mr. Saunak Mayani. Expected sales, operating profit, expected sales, operating profits and pat for FY22.

Number 3 chat from Mr. Praveen Kumar. Best regards here. Sent his wishes.

Last is from Mr. Kala Modi.

At what capacity our plants are running at present in this quarter? What could be reason for selling Mayur brand and its impact on top line and bottom line.

Thanks, these are the queries.

Riju Jhunjhunwala

I'll take up all 3. Absolutely right. 5 years, our top line has been stagnant because most of the investments of around 300 crores that we've done in the last 5 years, most of those investments have gone into maintenance, into technology, into the modernization of old plants and also into our recycled polyester business. So none of these 4 actually add to the top line of the Company. We have been an old Company. It's a 30 year old setup. So some of those you know it's very important for a textile Company to keep investing money into maintenance and technology upgradation. So yes the last 4-5 years barring the last 6 months have not been very good for the textile industry on the whole, so you have not been able to see the results of those modernizations and those plans in the profitability of the Company but they are but believe me, they are very much required in order to keep your Company absolutely up to date. And today we can proudly say that the average age of spindles in RSWM which is almost like a 50 year old Company, the average age of spindles is less than 12 years old. That has been possible because we are going on spending on modernization and technology improvement. So the life of the spindle which is between 15 to 20 years old should remain young.

So our average age of spindle is 12 years. This is because we have invested a lot of money into that and around ₹ 90.00 Crores has gone into our recycled polyester plant, of which we are consuming all the raw material inside now that does not add to the top line of the Company, because that goes into our raw material cost. Because of this, Company has not seen much growth in its top line.

But going forward, all these 300 crores that we are talking about and even the next financial year, whatever we are going to be investing are all going to be into related Sectors in capacity additions which have to see an increase in the top line of the Company, which is like kind of stagnant between 2500 to 3000 crores. I fully realize that that topline must grow substantially because all the other fixed costs, like our employee, cost, etc. which keep going up from time to time and we are taking adequate care of that. For the second question, which is about 2022, I cannot really get into, tell you exactly how 22 PAT would really look like.

But yes, the first quarter you have seen has gone off a decent and second quarter as we are seeing is going on well, and if nothing untoward happens in the external environment, I'm quite hopeful we should be able to carry this performance forward, so the FY 22 we are quite bullish on.

Plants today are running at 100% capacity. All our spinning plants are absolutely full. All our denim plant is producing, last month it produced 22 lac meters, which is the highest ever production in the year in the Denim Unit and sold 24 Lac meters. So all the plants were there. They are denim, our synthetic spinning, our cotton spinning, Mélange spinning and our recycled polyester fiber all are running at 100%.

In your last question to answer about Mayur, it's a historic brand. It's a flagship brand for us. It's a 30 year old brand for us, but really in terms of numbers, it was doing nothing for the Company's top line and bottom line in terms of revenue. It would be something around between 120 to 150 crore rupees and in terms of profitability for the last 5 years, it would be a negative.

That is something that you know. 150 crores rupees of topline, we will lose because of that. But more importantly, like that we'll be saving a lot of cash flow. We'll be saving a lot of funds blocked in that particular business, management time, and a lot of losses that were going in that business, which will stop next quarter onwards. So I think you know, it was, it was a kind of a sentimental or whatever decision for us, also to take that, but I think it was a very very necessary step so that the Company can focus on its core business, which is the yarn business. Thank you.

Surender Kumar Gupta

Last question sent by Mr. Modi is that what is the price trend of various yarn being produced by the Company?

Riju Jhunjhunwala

So price trends of the various yarns being produced by the Company are a lot dependent on the raw material cost.

Cotton prices have been going up and up, and so for the last 6 months, the cotton yarn prices are more or less stable, Synthetic yarn prices, the delta, if I were to say the raw material price is now stable, which was going up significantly.

So on the synthetic side also we are seeing an absolutely stable from a finished product sale, which is absolutely good for the Company because you do not want too many variations over the head, up and down.

Surender Kumar Gupta

With this we don't have any further questions so we can proceed further.

Riju Jhunjhunwala

So at the end I would just like to thank all the Members for attending and participating in the AGM. I thank all the board members.

Surender Kumar Gupta

There are certain Resolution that we have to take up. There are 4 Resolutions that we have to explain.

Riju Jhunjhunwala

So we have 4 Resolution item. Item Number 1 Ordinary Business: To receive, consider and adopt the audited financial statements (including Audited consolidated financial statements) for the financial year ended 31st March 2021 and the report of Directors and auditors there on. The Resolution is placed before the meeting to be passed as an Ordinary Resolution.

Item number 2 Ordinary Business: To appoint a Director in place of Shri Shekhar Agarwal DIN 00066113, who retires by rotation and being eligible, offers himself for the reappointment. The Resolution is placed before the meeting to be passed as an Ordinary Resolution.

Item number 3 Ordinary Business: 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.

Item number 4 Special Business: Approval of the 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, 2022. The 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 AGM are requested to kindly vote on the proposed Resolution. Resolutions 1 to 4 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 the e-voting portal of NSDL. The e-voting facility is active and will be closed along with the closure of the meeting. Members may note that the results will be declared within 48 hours, that's on or before the 17th September, 2021 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 the results along with Scrutinizer report shall also be submitted to the stock exchanges, i.e. NSE and BSE and will also be placed on the website of the Company and NSDL. All the business set out in the notice of this meeting has been concluded. And a time period of 15 minutes would be available for voting at the meeting, after which the meeting will stand close. Thank you all for participating in the AGM. Stay safe. Thank you.