

Extra ordinary General Meeting of

Rossell India Limited

21.04.2022

Transcript

Mr. Nirmal kumar Khurana

Okay! Good Afternoon dear members and respected Chairman Sir as well as other directors who are present in this meeting. I Nirmal kumar Khurana, Director (Finance) and company secretary Rossell India Limited, welcome you to the extra ordinary general meeting of the company being held through virtual platform. I am the registered office of the company at Calcutta where this general meeting is deemed to be held. Since, the quorum is present I would request the Chairman to call the meeting to order. Over to you Chairman sir.

Mr. Harsh Mohan Gupta

Good Afternoon Members my colleagues on the Board, distinguished ladies and gentleman. I am Harsh Mohan Gupta, Executive Chairman of Rossell India Limited is presiding over this general meeting from my office cum residence in Delhi. It gives me pleasure to welcome you all to the extra ordinary general meeting of Rossell India Limited being held through video conference facility. We thank you all for your virtual presence and wish you all good health and safety. We are also grateful for your continued support which is essential for the success of your company. Since the requisite quorum is present I hereby call the meeting to order.

I would now call upon my colleagues on the board one by one who have joined us through video conferencing from different places to introduce themselves. Starting with the independent director Nayantara Palchoudhuri. Nayantara Palchoudhuri.

Nayantara Palchoudhuri

Yes. Good Afternoon everybody I am Nayantara Palchoudhuri attending this EGM from Kolkata.

Mr. Harsh Mohan Gupta

Thank you

Nayantara Palchoudhuri

I have received the notice on time

Mr. Harsh Mohan Gupta

Thank you. Mr Krishan Katyal. Uh no please unmute yourself Mr. Katyal. Please unmute yourself.

Mr. Krishan Katyal

Sorry about that. Good afternoon everyone I am Krishan Katyal independent director of Rossell India Limited and Chairman of the Stakeholder Relationship committee. I am joining this general meeting from my residence in Kolkata.

Mr. Harsh Mohan Gupta

Mr. Rishab Gupta please unmute yourself.

Mr. Rishab Gupta

Sorry Good afternoon everyone I am Rishab Mohan Gupta whole time director of Rossell India Limited and I am joining the general meeting from my residence at Delhi.

Mr. Harsh Mohan Gupta

Thank you

Mr. Rahul Bhatnagar. Has Mr. Bhatnagar been able to join?

Mr. Nirmal kumar Khurana

Not yet Sir.

Mr. Harsh Mohan Gupta

Uh what what's the procedure Nirmal. do we wait or what do we do?

Mr. Nirmal kumar Khurana

No sir we carry on with the meeting

Mr. Harsh Mohan Gupta

Okay

Mr. Nirmal kumar Khurana

because meeting we have started now we cannot stop it sir.

Mr. Harsh Mohan Gupta

Okay. I now call upon Mr. NK Khurana director finance and company secretary of the company to brief on meeting formalities.

Mr. Nirmal kumar Khurana

Thank you, Chairman Sir. In compliance with MCA and SEBI various circulars this general meeting is being held virtually. The members are advised that the facility of participation at the general meeting has been made available on a first come first serve basis. The instructions for joining the general meeting and for voting during the meeting have been mentioned in the notice calling this meeting and are also displayed on the website of the company. Since the question and answer once the question and answer start one by one announce the name of the shareholders who have registered themselves as speakers.

Thereafter the speaker shareholders will be unmuted by us. The speaker shareholders are also requested to unmute themselves and switch on their cameras before asking the question or giving their observation. Keeping in view the time made available by nsdl each speaker shareholders are requested to restrict their question to maximum of 3 minutes. We have already four speakers who have registered themselves for this meeting. Since the meeting is being held through video conferencing facility the facility of appointing proxy has been dispensed away with. I now call upon the chairman sir to address the members.

Mr. Harsh Mohan Gupta

Thank you Nirmal. As you know this general meeting has been convened to seek your kind consent by way of adopting ordinary and special resolutions for reclassification of authorized share capital of the Company to create one point four million preference shares of rupees 10 each and thereafter to issue and allot one million of that as zero-point zero one percent compulsory convertible preference shares to the holding company BMG enterprises limited at the rate of rupees 156 per share. Thus, your company would raise fifteen point six crores within the next 15 days. The money thus raised shall be utilized for meeting the long-term capital requirements of the company for its business needs and general cooperate purposes. This will also enhance the borrowing capacity of the company to enable both the divisions to raise adequate short-term working capital and finance its ongoing projects for its business needs by raising medium term funds.

Many of you have seen the letter dated twenty third march two thousand twenty-two addressed to both the stock exchanges that is BSE and NSE, where the equity shares of your company are listed advising them about the proposal for a scheme of arrangement of your company with the holding company bmg enterprises limited the present allottee. The main purpose of the scheme is to simplify the shareholding structure and thereby to collapse the holding company through reverse merger. Pursuant to the proposed merger the equity shares of the company held by bmg shall get cancelled and your company shall issue the equivalent number of equity shares to the shareholders of bmg. This matter shall soon be taken after the allotment of the present preference shares as part of cooperate restructuring. We shall seek your consent to the scheme in duo cores. Another item of business in this meeting is reappointment of one of the independent directors of the company Mr. Krishan Katyal for his second tenure of five years. The detailed profile of Mr. Katyal is already given in the explanatory statement forming part of the notice dated twenty eighth march twenty-two. The notice calling this general meeting was sent electronically to the members on twenty eighth march two thousand twenty-two and necessary newspaper public note and necessary newspaper public notice was published in this regard on twenty ninth march pursuant to the regulatory requirements. Corrigendum correcting certain typographical errors was sent to members on eighth of April. With your consent we take the aforesaid notice read with the corrigendum as received and read. The required certificate from A K Labh & company, the practicing company secretaries obtained on twenty second march twenty-two certifying the professional allotment has been made in accordance with the requirement contained in sebi (issue of capital and disclosure requirement) regulations two thousand eighteen has been on the company website since long. They have also confirmed that the issue price of rupees one fifty-six rupees per preference share is in accordance with the formula laid out in the said SEBI regulations. In compliance with companies act 2013 the company has provided remote e-voting facility through nsdl and the voting was open for three days from nine am on eighteenth April two thousand twenty-two till five pm on twentieth April two thousand twenty-two. Further pursuant to MCA circulars your company has provided the facility of e-voting during the course of this meeting, the members who have already cast their vote through remote e- voting may not be eligible to re cast their vote through e-voting facility at this general meeting. Mr A K Labh from AK Labh & company, company secretaries, have been appointed the scrutinizer for the process of remote e-voting and e-voting to be conducted at this general meeting.

We now formally take up the resolutions as set for the notice dated twenty eighth march two thousand twenty-two. The three agenda items are special business which were necessary to be put forward in this meeting. The text of the resolutions and explanatory statement are provided in the notice calling this general meeting. Before I allow the e-voting to commence we would request the registered speakers to put forth their views. Speaker share holders are requested to keep their observations brief. In order to avoid repetition management will give its clarification, explanation at the end. Now I request the company secretary to call the speakers one by one.

Mr. Nirmal kumar Khurana

It gives me immense pleasure to invite our first speaker shareholder Mr. Ayush mittal who is having a substantial holding in the company. I request Mr. Mittal to unmute himself and switch on your video and ask your question. As the matter of fact Mr. Mittal has already sent a set of few questions to reply but for the benefit of other shareholders I would request Mr. Mittal to read out the questions quickly. Over to Mr. Mittal.

Speaker Shareholder:

Mr. Mittal

Uh Good afternoon sir am I audible? Am I audible.

- Yes, yes, yes you are.

Good afternoon, I am glad to see all the directors and all the key members of the company. I hope everyone is keeping safe and healthy. Sir, it is good to see promoters infusing money in the company and I have question around this. Sir, first of all, as we are going for a preferential allotment when we already had a holding of close to seventy five percent which is the maximum holding allowed by SEBI norms. So it seems like there must be some specific project for which we needed funds and promoters are infusing money, so if there is some specific project you can share, if there is an expansion that we are doing and we need this funds immediately or what is the specific reason for this fund raise. Also when we look at this preferential allotment it seems like the holding will go above seventy five percentage but as per the explanation given it will be within the threshold so how is that happening if something we are not very clear. Apart from this we don't get the opportunity to interact with the company so there are some questions around the business if you can appraise us. During the last agm you had talked about the increase in order book and new customers. Can you share some progress on the same? How are our customer relation being going specifically with Customers like Honeywell, Lockheed Martin, B-class that we have mentioned earlier? How has been the execution of the company in the airline business post covid given the disruptions that we have seen and what are the expectations going ahead given that the substantial increase in order book we had seen last year, what are the progress on the execution on the same. Have we had any new order since the last agm if so, can you share about the recent order book that we have. Is the business running back to the normal run rate given the covid disruptions? Sir recently there were some articles about two prestigious projects that we have won one was about the night aerospace and the other being boeing red hawk project. We would like to congratulate the team. Can you share some more details on these two projects

as to how and when will we be commercializing on the same and what kind of business potential we see going forward? There has also been a lot of crisis in Sri Lanka and that might have an impact on the tea business if so can you share some updates on that. Thank you and wish you all the best.

Mr. Harsh Mohan Gupta

Thank you

Mr. Nirmal Kumar Khurana

Thank you, Mr. Mittal. I would now request our second speaker shareholder Mr. Ashit Kumar Pathak to unmute himself and switch on your video and share his views. Mr. Pathak

Speaker 2

Mr. Pathak

Hello, am I audible, am I audible sir?

- Yes, yes.

A very good evening respected chairman and the board of directors, company secretary, fellow members joining at the EGM of Rossell India Limited. My name is Ashit Kumar Pathak attending from Dum Dum, Kolkata. At first my gratitude to the company secretary Mr. NK Khurana and the secretarial department for sending me the notice of EGM well in advance and allow me to speak, sir I have already successfully casted through e-voting for the three resolutions mentioned in the EGM notice. Apart from this I have some views which I like to share. The reclassification of authorized share capital and consequent alternation in the memorandum of association of the company the promoter group is infusing in my company so very good positive I think so far but I have some views Mr. Mittal also mentioned future road maps and reorder policy to share with members with good dividend if possible throw some highlights. He also mentioned all my views and post conversation the promoter holding will be seventy four point ninety nine percent sir any future chance of voluntarily delisting our company from recognized stock exchange many companies are doing to hold the above seventy percent if possible throw some highlights and also thanks to Mr. NK Khurana for noticing the typographical errors noticed in the EGM notice and made corrections page eighteen and page twenty two very very very very achievement and very very very very secretarial practice from my view and nothing to say more. I feel to be a member of this company proud to everybody and praying to god for good health to everybody associated to Rossell India Limited. Thanking you sir.

Mr. Harsh Mohan Gupta

Thank you

Mr. Nirmal kumar Khurana

Thank you. Mr Pathak I would now request our third speaker shareholder Mr. Amit Kumar Banerjee to unmute himself and switch on your video and give your views please. Over to Mr Amit kumar Banerjee

Mr. Subhashis

Sir Mr. Amit kumar Banerjee has not joined yet.

Mr. Nirmal kumar Khurana

He is missing from the list of attendees. So, we switch over to the next attendee

Mr. Subhashis

Okay I will now unmute Mr. Sujan modak

Mr. Nirmal kumar Khurana

Yah. Mr. sujan modak you may kindly unmute yourself and speak.

Mr. Sujan Modak

Ya. Sir you can hear me?

Mr. Nirmal kumar Khurana

Yes yes.

Mr. Sujan Modak

Ya *namashkar namashkar* sir.

Mr. Nirmal kumar Khurana

Namashkar

Mr. Sujan Modak

I am sujan modak I am getting connected from my residence in Kolkata. Sir my previous first all I say thanks to our company secretary Mr. Nirmal kumar Khurana sir for excellent support to the shareholders and your team is really doing very fine dipankar das and madhavan Chandran *hum logo ka bahot khyal rakhte hai hum jabhi office mei jaate hai* to they are very kind to us. Sir my previous speakers have already asked questions so I don't want to repeat but only one thing I would like to know is affect recent adverse effect of this war which is going on in the Ukraine or another thing what is the effect of the problem we are now seeing in sri lanka. These two if you can say is any effect coming on our company and I really support all the resolutions and I m waiting to hear the answers from your side. Thank you, sir thank, you very much.

Mr. Nirmal kumar Khurana

We have no more speakers, I request chairman sir to take over and give the answers or clarifications to the views raised by the speakers little while ago.

Mr. Harsh Mohan Gupta

Yes. I and my colleagues will endeavor to respond to the questions that were been raised. At the outset I would like to mention that this is an extraordinary general meeting with three agenda points so our focus and response shall be more related to this agenda points of the egm howsoever other questions also have been asked on the aerospace business and the tea business, we will briefly respond to the same as well. With regards to sri lanka yes definitely due to the adverse economic situation in the country. It is definitely going to have major impact on their orthodox production as they are not also using any pesticide and chemicals and have gone organic there is tremendous shortage across the board in all aspects over there and only time will be able to tell in what major rate their crop will impacted. This will definitely overwhelm as far as orthodox production producers are concerned in all other countries and even for our orthodox production we expect very favorable response from the tea community across the globe. Definitely the Ukrainian war is going to have an impact on the exports to Ukraine particularly which will be negligible and no export also to Russia because there is a lot of shortage of shipping container and other aspects which are definitely going to have an impact. howsoever as far as your company is concerned as far as the tea business is concerned I don't see any negative impact coming because the quality of tea which we use is hardly exported to Russia. We mostly export to Europe and even as of now all our existing buyers are as interested as ever in buying the teas that they buy from us.

Now let me come to certain questions asked by Mr. Mittal one was what is the need of raising funds and how do we plan to utilize the proceeds. As stated earlier as stated in the explanatory statement annexed to the notice calling this meeting the fund is being raised to meet the long-term working capital requirement of the company. The proceeds thus received shall also enhance the borrowing power of the company. As advised to the company, the easiest route to raise this small size of fund is promoter only. BMG enterprise with surplus investible funds were also have a look out of suitable investment opportunity and consider it to invest within the group. I just want to advice you that BMG enterprises have stopped all business activities now and is only a holding company for rossell. Therefore, is was a prudent step for BMG enterprise be merged in rossell because the only thing that is having the shareholding of rossell india and the good part is that with this there will be infusion of the funds of BMG enterprise into rossell india. So rossell india will only be having more liquidity so it is a win-win situation as far as rossell india is concerned. Another question Mr. Mittal had asked was also given the promoter stake at seventy-four-point nine percent how will they maintain the seventy five percent threshold after the preferred shares are converted. As shown in annexure one shareholding pattern forming part of the explanatory statement the promoters shall sell existing shares held by them in excess of the maximum permitted limit of seventy five percent in the open market prior to conversion of CCPS into equity shares. So with relation to the agenda of this egm, the questions asked I think I have responded to it. Now may I request Mr. Rishab Gupta to very briefly respond with relation to the business questions related to the aerospace business. Please be brief because that is not the part of agenda of the egm.

Mr. Rishab Gupta

Yes of course. Thanks Mr. Chairman So to answer Mr. Mittal's question one of the question was about the increase in the orderbook since the last agm and you had mention about the seven hawk program. In fact that is one of the major contracts rossell has since the agm it is the longest period of contract we have on hand today extends up to eleven years and it is excess of hundred million so with that the rossell's order book has crossed three hundred million and we have agreements over three hundred millions as of today. Has the business come back to normal post covid. As of now covid is still happening it is not fully over, the situation is pretty similar I don't think most companies have not got back to full production as of now so that will completely depend on how covid turns out and how long it last but I think it is a matter of time they have to build these aircrafts so there has been delay so I don't know how long it last but it seems it should come back on track pretty soon. Yahh I think those were the two main questions asked order book post covid last year we had got confirm po's for twenty-six million last year, which will be executed over the period of next two years and then Mr. Modak had asked a question about the war in Ukraine if here is going to be any affects I just got back from a trip from the usa just particularly for this to meet all my different customers and suppliers the impact is not fully seen yet but there is an anticipation that there could be a delay in getting the material to produce the product but rossell is fortunate that way we have always been a company that has excess inventory for six to nine months. So, for

rossell the risk is much more significantly lower than the other companies who don't hold excess inventory or more inventory. So, there could be long-term effects in this end so the lead time increasing but that's yet to be seen so we are keeping an eye on it and seeing what best for the future. Yah Mr. Chairman I think I answered most of the questions I don't think I missed anything out in my mind.

Mr. Harsh Mohan Gupta

Yah I think you have covered everything Rishab thank you. Thank you everyone.

I would now request the members who did not cast remote e-voting to cast their e-vote now. The e-voting shall remain open for another thirty minutes. The voting shall remain in progress for the stipulated period on all the items of business as per the notice. Calling this meeting and conclude thereafter. The results of the voting will be displayed on the websites of the company, the stock exchanges as well as nsdl within two working days. I would like to thank you all for attending the meeting and for the cooperation extended. Since there is no other business to transact consent of the members I declare the meeting as closed. Stay safe and healthy. Nirmal

Mr. Nirmal kumar Khurana

As the company secretary it is my proud privilege to move a heartily vote of thanks for chairman and other members of board of director. I grateful to the shareholders as well as speaker shareholders for spending their time for the purpose of our company. I look forward to similar support for al time in future. Thank you everybody.

Thankyou.