

Transcript of 35th Annual General Meeting (AGM) of Chemcon Speciality Chemicals Limited held on 26th September 2024 at 11:30 a.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

Directors and KMP present (all present through VC):

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| Mr. Kamalkumar Aggarwal | Chairman and Managing Director |
| Mr. Naresh Goyal | Joint Managing Director |
| Mr. Navdeep Goyal | Whole- Time Director |
| Mr. Rajveer Aggarwal | Non- Executive and Non- Independent Director |
| Mr. Himanshu Purohit | Whole- Time Director |
| Mr. Rajesh Gandhi | Whole- Time Director and Chief Financial Officer |
| Mr. Bharat Shah | Independent Director, Chairman of Audit Committee and Stakeholders Relationship Committee & Representative on behalf of Nomination and Remuneration Committee |
| Ms. Neelu Shah | Independent Director |
| Mr. Lalit Mehta | Independent Director |
| Mr. Ketan Shah | Independent Director |
| Mr. Shahilkumar Kapatel | Company Secretary and Compliance Officer |

Other Invitees in attendance (all present through VC):

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| Ms. Chhaya Dave M/s. K C Mehta & Co LLP | Statutory Auditors |
| Mr. Chirag Rathod M/s Rathod and Co. | Secretarial Auditor and Scrutinizer |

Members present: A total of **55 members** attended the meeting through VC.

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| CHAIRMAN SIR | <p>Good morning, ladies and gentlemen, it's 11:30 A.M on the 26th of September 2024, Thursday and it is now time to commence the proceedings of 35th Annual General Meeting of Chemcon Speciality Chemicals Limited.</p> <p>A very warm welcome to all the dear shareholders of the company, my colleagues on the Board, representatives of the Auditors of the Company and all the invitees and investors who have made it convenient to attend the AGM. This is to inform all that I, Kamal Aggarwal, the Chairman and Managing Director of the Company, am attending the meeting from the corporate office of the Company at Vadodara</p> |
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| | <p>and I hereby inform that the meeting will be deemed to be conducted from the 'Registered Office' of the Company.</p> <p>The meeting is being conducted through Video Conferencing Facility being made available with the assistance of the National Securities Depository Limited, which is in compliance with the circulars and guidelines being issued by SEBI and Ministry of Corporate Affairs.</p> <p>I hereby affirm that the Company has made all feasible efforts to enable members to participate in the meeting through video conference and vote on the items being considered in the meeting. Now, I request Mr. Shahilkumar Kapatel, the Company Secretary and Compliance Officer of the Company, to provide further details with respect to the video conferencing facility and the requisite quorum.</p> <p>Over to you Mr. Shahil.</p> <p>Shahil you are on mute. Not getting your voice.</p> |
| COMPANY SECRETARY | <p>OK sir. Thank you, sir. Good morning to all. I am Shahil Kapatel, Company Secretary and Compliance Officer. I am joining this meeting from the corporate office of the Company at Vadodara.</p> <p>Members may note that this AGM is being held through video conference, in accordance with the circulars issued by MCA and SEBI. The facility for attending this meeting through video conference has been made available to members on a first come first serve basis. All members who have joined the meeting are by default placed on mute by the moderator. When the session on question and answer commences, the moderator will unmute the speaker member. For the purpose of records, the proceedings of this meeting shall be recorded.</p> <p>The Register of Directors and Key Managerial Personnel and their Shareholding, the Register of Contracts or Arrangements in which the Directors are interested, and other documents mentioned in the notice of AGM are available electronically for inspection by the members during the meeting. Members seeking to inspect such documents can send their request to investor.relations@cscpl.com.</p> <p>As the AGM is being held through video conferencing, the facility for appointment of proxies was not applicable, and hence the proxy register is not available for inspection.</p> <p>The Register of Directors and Key Managerial Personnel and their Shareholding, the Register of Contracts or Arrangements in which the Directors are interested, and other documents mentioned in the notice of AGM are available electronically for inspection by the members during the meeting. Members seeking to inspect such documents can send their request to investor.relations@cscpl.com. As the AGM is being held through video conferencing, the facility for appointment of proxies was not applicable, and hence the proxy register is not available for inspection.</p> <p>Members are requested to refer to the instructions provided in the Notice or appearing on the video conference page, for participation through video conference and casting their vote. In case any member faces any difficulty, he may contact the helpline numbers given in the Notice of this AGM.</p> <p>The requisite quorum for transacting the meeting is present and I hereby request to Chairman sir to call the meeting to order.</p> <p>Thank You! Over to you Chairman sir.</p> |

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| CHAIRMAN SIR | <p>Thank You Mr. Shahil. Since the requisite quorum as per the Companies Act, 2013 is present, therefore I call the meeting to order and take the proceedings further.</p> <p>Now, I would request all the Directors present in the meeting to introduce themselves and also mention the location from where they are attending the meeting.</p> <p>First up Mr. Naresh.</p> |
| Mr. Naresh Goyal | <p>Hello everyone! Myself Naresh Goyal Joint Managing Director of the Company, joining the meeting from the Corporate Office.</p> <p>Thank you!</p> |
| Mr. Navdeep Goyal | <p>Hello everyone! Navdeep Goyal this side, Whole- Time Director attending the meeting from the Corporate Office, Vadodara.</p> <p>Thank You!</p> |
| Mr. Rajveer Aggarwal | <p>Good morning, everyone! I am Rajveer Aggarwal, Non- Executive Director of the Company, joining the meeting from Corporate Office, Vadodara.</p> |
| Mr. Himanshu Purohit | <p>Very Good Morning everybody! I am Himanshu Purohit, Whole-Time Director of the Company, joining the meeting from the registered office of the Company, at Manjusar, Savli, Vadodara.</p> |
| Mr. Rajesh Gandhi | <p>Good morning! I am Rajesh Gandhi, Whole- Time Director and CFO of the Company, I am joining the meeting from the Corporate Office, Vadodara.</p> |
| Mr. Bharat Shah | <p>Good morning! I am Bharat Shah, Independent Director of this Company, joining this meeting from USA.</p> <p>Thank You!</p> |
| Ms. Neelu Shah | <p>Good morning, everyone! I am Neelu Shah, Independent Director of the Company, attending the meeting from Vadodara.</p> |
| Mr. Lalit Mehta | <p>Good morning, all! My name is Lalit Mehta, Independent Director of the Company, joining the meeting from Vadodara.</p> |
| Mr. Ketan Shah | <p>Hello! I am Ketan Shah, Independent Director, joining this meeting from Vadodara.</p> |
| CHAIRMAN SIR | <p>Thank you, everyone. Now I would take the meeting further. In compliance with the requirements of the Secretarial Standard-2 on General Meetings, the representatives of the Statutory Auditors and the Secretarial Auditors are also present in the meeting through video conferencing.</p> <p>The notice for the AGM was dispatched on 3rd September 2024, along with the Annual Report for the financial year 2023-24 electronically. With your permission, I shall take the same as read and proceed further. It is to be noted by the participants that the Auditor's Report as well as the Secretarial Auditor's Report do not contain any adverse remarks, qualifications or disclaimer.</p> |

Now moving towards the performance of the Company, as we reflect on the past financial year, it's essential to acknowledge the challenges we faced and the milestones we achieved together. The world, as we knew it in the recent past, underwent significant changes. Intense geopolitical stress, heightened inflation, and significant political polarization have hindered global trade and economic progress. However, amidst this global fragility, India emerged as a beacon of resilience, forging ahead despite harsh headwinds. While domestic demand and markets remained robust, export-oriented business performance dipped due to global turmoil. This reality impacted our performance.

The Company reported a decline in revenue from operations, amounting to Rs. 26,709.21 Lakhs, down from Rs. 30,288.47 Lakhs in the previous year – a decrease of approximately 12%. Profit Before Tax (PBT) also saw a significant drop, coming in at Rs. 2,625.76 Lakhs compared to Rs. 7,415.14 Lakhs last year. Similarly, Profit After Tax (PAT) fell to Rs. 1,919.30 Lakhs, a marked decline from Rs. 5,511.01 Lakhs in the prior financial year. Consequently, our Earnings Per Share (EPS) for FY 2023-24 decreased to Rs. 5.24, down from Rs. 15.04 the previous year. Additionally, EBITDA and Net Profit decreased by 62% and 65%, respectively.

While our annual figures may seem subdued, a closer analysis reveals promising prospects ahead. As we embark on a new financial year, we carry forward a positive momentum and a renewed focus on business growth and expansion. The Company has established a presence in 12 states across the country and boasts a global footprint in 15 countries. Notably, around 41% of our turnover is driven by exports, highlighting our strong international market presence.

The decline in margins can be attributed to several challenges, including supply chain disruptions, chip shortages, rising inflation, increased interest rates, foreign currency fluctuations, geopolitical conflicts, higher employee costs, and escalating material prices. In response to these inflationary pressures, we implemented cost optimization strategies and enhanced cost control measures.

As a result, the directors have decided to reinvest the profits back into operations to provide long-term working capital, and therefore, have opted not to declare any dividend for the financial year ending March 31, 2024.

Despite these challenges, the company and its management remain committed to value creation and wealth maximization for our stakeholders, always looking for the silver lining in every situation.

Moving forward, we will now address the business of the Company for this Annual General Body Meeting. Let's proceed with the resolutions outlined in the Notice.

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024, together with the Reports of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Rajveer Kamal Aggarwal (DIN: 07883896), who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of M/s. Shah Mehta & Bakshi, Chartered Accountants (FRN. 103824W) as the Statutory Auditors of the Company.

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| | <p>4. Ratification of remuneration of the Cost Auditors for the financial year ending March 31, 2025.</p> <p>5. Appointment of Mr. Naresh Vijaykumar Goyal (DIN: 00139277) as a Director of the Company.</p> <p>6. Appointment of Mr. Ketan Bhailal Shah (DIN: 00058966) as a director and as an Independent Director.</p> <p>7. To approve increase in remuneration of Mr. Rajesh Chimanlal Gandhi (DIN: 03296784), Whole-time Director & Chief Financial Officer of the Company.</p> <p>8. To approve increase in remuneration of Mr. Himanshu Prafulchandra Purohit (DIN: 03296807), Whole-time Director of the Company.</p> <p>9. To approve increase in remuneration of Mr. Kamalkumar Rajendra Aggarwal (DIN: 00139199), Chairman & Managing Director of the Company.</p> <p>10. Appointment of Mr. Naresh Vijaykumar Goyal (DIN: 00139277) as a Joint Managing Director of the Company.</p> <p>11. Appointment of Mr. Navdeep Naresh Goyal (DIN: 02604876) as a Whole-time Director of the Company.</p> <p>12. Re-appointment of Mr. Kamalkumar Rajendra Aggarwal (DIN: 00139199) as a Managing Director of the Company.</p> <p>13. Re-appointment of Mr. Rajesh Chimanlal Gandhi (DIN: 03296784) as a Whole-time Director of the Company.</p> <p>14. Re-appointment of Mr. Himanshu Prafulchandra Purohit (DIN: 03296807) as a Whole-time Director of the Company.</p> <p>Since all the above Resolutions have already been put to vote through remote e-voting, there will be no proposing and seconding on the Resolutions and there would be no voting by show of hands. Voting is available during the meeting and will be available till 15 minutes from the conclusion of this meeting.</p> <p>We will now open the floor for a Q & A session. If any member wishes to ask questions regarding any item on the Notice, please feel free to do so. We kindly request that members keep their questions brief and specific. The moderator will facilitate the session. With that, I hand it over to the moderator.</p> <p>Thank You. Moderator please takeover.</p> |
| MODERATOR | <p>Thank you, sir. I would now like to request all the individual shareholders to unmute their audios. I will call the name of speakers one by one to ask questions and present their views. Please mention your name and location from where you are joining this meeting.</p> <p>Our first speaker today, is Mr. Santosh Kumar Saraf.</p> |

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| Mr. Santosh Kumar Saraf | <p>Meri awaaz aa rahi hai sir??</p> |
| CHAIRMAN SIR | <p>Yes, welcome aapki awaaz aa rahi hai.</p> |
| Mr. Santosh Kumar Saraf | <p>Manniya Sabhapatiji, upastith Sadasyagan, Adhikarigan aur Karmacharigan, mein Santosh Kumar Saraf Kolkata se aap sabhi ko Ram- Ram kehta hu aur asha karta hu aap sabhi ache swasthiya mai honge aur mai sabhi bhai- behno ka aabhar vyakt karna chahta hu, yeh unki mehnat ka he parinaam hai ki aaj humaari Company itna acha perform kar rahi hai, mai unke saath mai apke Upkarmachari aur Secretary ka bhi aabhari hu jo sada backbone ki tarah humaari sahayta karte hai aur ussi ke kaaran humaari Company ko kaafi acha performance milta hai.</p> <p>Sir, vaise toh maine apne saare prashn advance mai email kar diye hai, apko mil gaye honge isliye unn prashno ko repeat na karte hue mai aapse 2-4 main prashn poochna chahunga:</p> <ol style="list-style-type: none"> 1. Company dwara Carbon emission ke liye kya kadam uthaya gaya hai? 2. Factory par Solar Plant ki kya vyasvasta kari gayi hai? 3. Fire and Safety ke liye vyasvasta kari gayi hai, yeh bhi batane ka kasht kijiye sir. 4. Rainwater Harvesting ke liye kya kadam uthaye gaye hai? 5. Humaari Company ki ESG rating kitni hai wo bhi bataiye. 6. Aur zyada kuch nahi. Sir humaara Capex plan kya hai aur iss saal ka kya naya product launch kiya gaya <p>Baaki toh prashn maine email kar diye, aapko mil gaye honge, unka bhi jawab samay anusar de dijiyega.</p> <p>Aur ek baar fir mai Company ke sabhi bhai- behno ko Financial Year 2023-24 ki shubhkamnaye dena chahunga aur prarthana karunga ki aane wala varsh 2024-25 humaare directors, unki families aur jitne bhi karmachaari hai unke liye healthy, wealthy aur profit safety se vyatith ho, aur iske saath aane waale tyoharo ke liye bhi sabhi logo ko shubhkamnaye deta hu aur prarthana karunga aane waale tyohaar Khushi aur samruddhi leke aaye aur iske saath he aapko personal tyohaaro ki bhi shubhkamnaye deta hu.</p> <p>Aur ek request rahegi Sir, agar ho sake toh.</p> <p>Diwali ke time aap apne dosto ko yaad karte hai aur sabhi ko yaad karte hai, toh if aap jo speaker shareholders hai unko bhi Diwali pe yaad rakhenge toh kaafi acha rahega.</p> <p>Yeh ek aisa utsah se jisse hume lagta hai Company hume remember karti hai, toh haath jodh kar request hai ki Diwali mai hume bhi yaad rakhiyega aur anth mai mere ko sunne ke liye aap sabhi ko mera aabhar pratat karta hu aur sab ke liye Bhagwan se lambi umar ki kaamna karta hu.</p> <p>Moderator sahab ka bhi mai aabhar pratat karta hu. Unki kaafi achi moderating hai aur unki bhi lambi umar ki kaamna karta hu.</p> <p>Jai Hind, Jai Bharat, Ram- Ram.</p> |
| CHAIRMAN SIR | <p>Dhanyawad Santosh Ji. Aapki Shubhkamna ke liye Dhanyawad. Bhagwan aapko issi tarah aage badhata rahe.</p> <p>Company ne 2.1 Mega Watts ke solar energy plants lagaye hue hai apke jaankari ke liye bata du.</p> |

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| | <p><i>Fire and Safety ke poore arrangements kare hue hai, we have got storage water as well as pumping systems and aapke aur sab queries ke liye aapko saare replies email dwara bheje ja chuke hai, aap please use refer kar lijiye. If aur kuch doubts bhi hai toh aap Company Secretary ko likh sakhte hai ya investor.relations@cscpl.com waaale email pe bhej sakhte hai.</i></p> <p><i>Thank You.</i></p> |
| MODERATOR | <p>Thank you, sir! Our other speaker shareholders are not present today, so with this we can conclude our Q and A session.</p> |
| CHAIRMAN SIR | <p>We are closing the session, right?</p> |
| MODERATOR | <p>Yes sir.</p> |
| CHAIRMAN SIR | <p>Thank you.</p> <p>I thank all the members for their valuable queries and insights during this meeting. As mentioned earlier, members who have not yet cast their vote may do so now. The voting window will remain open for 15 minutes from the conclusion of this meeting.</p> <p>Mr. Chirag Rathod, Proprietor of Rathod & Co., Practicing Company Secretaries, has been appointed as the Scrutinizer to provide a report on the voting results. The results will be declared and submitted to the stock exchanges within two working days from the conclusion of the meeting and will be disseminated on the Company's website along with the Scrutinizer's report. I hereby authorize the Company Secretary to take the necessary actions.</p> <p>Resolutions, as set forth in the Notice, shall be deemed passed today, subject to receiving the requisite number of votes.</p> <p>I am grateful to all the members and the Board of Directors for taking the time to join this meeting. With this, I now declare the proceedings of the 35th Annual General Meeting of the Company closed. Thank you once again to everyone for your participation and support.</p> <p>Thank you.</p> |

Please note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings of AGM.