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Mr. Raman: Good afternoon, ladies and gentlemen. I, M Raman, Company Secretary. welcome you all to the 38th Annual General Meeting of the company, which is being held through video conferencing and other audio-visual means. Before we start the proceedings of the AGM, I would like to give you an overview of the process to participate in this meeting through video conference. The members who have joined this meeting are by default put on mute mode to avoid any disturbance from background and ensure smooth conduct of the meeting. Once the question-and-answer session starts, the moderator will announce the name of the shareholders who have registered as Speaker shareholders one by one. Thereafter, the speaker shareholder will be unmuted by the moderator to enable him or her to speak. Before the called-out shareholders start speaking, he or she is requested to click on the mic and video button on the screen and if for some reason, they are not able to participate through video mode, they are advised to join through audio mode. The speaker shareholders are requested to use a stable WIFI or LAN connection and ensure no other devices are connected to avoid division of internet bandwidth to have a clear video and audio. In case of any connectivity issues, at the speaker shareholder's end, the moderator will mute such a shareholder and the next speaker will be called upon to speak to maintain continuity of the meeting. Once the connectivity improves, the previous speaker will be called upon to speak. Speaker shareholders are requested to mention their names before they raise their queries. We also request the speaker shareholders to limit their queries, speeches, clarification to the subjects covered under the resolutions proposed to be moved at the Annual General Meeting. They are also requested to restrict themselves to two minutes, so as to provide a fair opportunity to all other members who desires to speak. If any shareholder faces technical issues relating to login or e-voting, he or she may contact the Help Desk mentioned in page number five and seven of the notice respectively. The Chairman will be chairing the meeting from the Registered Office of the company at Chennai. With this, I request the Chairman to take over and conduct the proceedings of the meeting. Thank you.

Mr. Vijay Sankar: Good afternoon, ladies and gentlemen, I welcome you all to the 38th Annual General Meeting of the company, which is being held through video conferencing as per the provisions of the Companies Act 2013, the SEBI LODR and the circulars issued by the Ministry of corporate affairs. As per section 103 of the Companies Act 2013, the requisite quorum is present, and I call the meeting to order. I would now like to request all my fellow directors who are present to introduce themselves and confirm their participation. Firstly, may I request Mr. Prasad Menon to introduce himself.

Mr. Prasad: Hi, good afternoon, everybody. I am Prasad Raghava Menon, and I am an Independent Director of your company from April 2021. I am also a member of the Audit Committee of directors. I am attending this AGM from Thrissur in Kerala. Thank you.

Mr. Vijay Sankar: Thank you Prasad. May I now request Mr. Sanjay Bhandarkar to introduce himself?

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Mr. Sanjay: Thank you, Chairman. Good afternoon members. I am Sanjay Vijay Bhandarkar, an Independent Director of your company since April 21. I chair the Audit Committee. I am also a member of the Nomination and Remuneration Committee as well as the Risk Management Committee. I am attending the AGM from Mumbai. Thank you.

Mr. Vijay Sankar: Mr. Thank you Sanjay. Could I now request Dr. Lakshmi Vijay Kumar to introduce herself?

Dr. Lakshmi: Good afternoon, everyone. I am Dr. Lakshmi Vijay Kumar. I am an Independent Director of your company from April 2021. I am also a member of the CSR Committee of directors. I am attending this AGM from Chennai. Thank you.

Mr. Vijay Sankar: Thank you Dr. Lakshmi. May I request Dr. Amarnath Ananthanarayanan to introduce himself?

Dr. Amarnath Ananthanarayanan: Thank you, Chairman. Good afternoon, everyone. I am Dr. Amarnath Ananthanarayanan, non-executive, non-independent director of the company. I am a member of the Stakeholder's Relationship Committee. I am attending this AGM from the Registered Office of your company.

Mr. Vijay Sankar: May I now request Mr. Ramkumar Shankar, Managing Director to introduce himself.

Mr. Ramkumar Shankar: Thank you, Chairman and Good afternoon members. I am Ramkumar Shankar. I am the Managing Director of the company and I am attending the AGM from the Registered Office of the company.

Mr. Vijay Sankar: Thank you Ramkumar. Mr. Chandran Ratnaswami, Non-Executive Director and Mr. Aditya Jain, Independent Director are unable to attend the meeting today.

Mr. N. Muralidharan, Chief Financial Officer and Mr. M Raman, Company Secretary of the company are also present in the meeting. Our Statutory Auditors and Secretarial Auditors are also attending this AGM through electronic mode.

Since there is no physical attendance of members, the requirement for appointment of proxies is not applicable. The statutory registers and the relevant documents referred to in the notice are available for inspection by the members. In compliance with the MCA and the SEBI circulars, the notice of the 38th Annual General Meeting and audited financial statements for the financial year ended March 31 2022 together with the Board and Auditors' Reports have been sent through email and also hosted on the website of the company, websites of the stock exchanges BSE & NSE and the website of the Registrar and Share Transfer agents. I now take the notice of the 38th Annual General Meeting as read. The Auditor's Report, being unqualified as well as being unmodified is not required to be read out at the Annual General Meeting as per the provisions of

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Section 145 of the Companies Act 2013. Since all the resolutions contained in the notice for the AGM have already been put to vote through remote e-voting, the Resolutions need not be proposed or seconded by the shareholders at the meeting. The company has offered remote e-voting facility as well as e-voting at the time of the meeting to all the shareholders. Today, there are five resolutions proposed to be passed as set out in the notice of the 38th AGM of the company, I, as the Chairman, order e-voting during the AGM on all the ordinary resolutions. The e-voting during the AGM will close 15 minutes after the close of the meeting. Company has appointed Dr. B Ravi of B Ravi and Associates, Company Secretaries as the Scrutinizer for conducting the process of remote e-voting during the AGM in a fair and transparent manner. Members who have not exercised remote e-voting may exercise their votes electronically up to the conclusion of the meeting.

I shall now move on to my Chairman's address.

Once again, a very good afternoon to all of you. I am delighted to welcome you all on behalf of the esteemed members of the Board to the 38th AGM of Chemplast Sanmar limited for the financial year 2021-22 being held today through video conference. The Directors' Report and the audited financial statements for the financial year ended March 31 2022 are already with you and with your kind permission I take them as read. The year was a milestone for our company in many ways, with the successful completion of the initial public offering and the listing of our shares in August 2021 as well as achieving its best-ever year in history in both sales and profits. However, post the year ending, we lost our Chairman emeritus Mr. N Sankar and I will take a moment to speak about him and his association with the company. While Mr. Sankar is recognised for contributing to society, sport and business through various means and fora, his contribution to the company is immense. He joined the company on 04.05.1967, the day the company's plant was commissioned, and has been associated with the company right through till his very last day. He saw the future more clearly than most responsible for original choices in the field of PVC manufacture, including the extensively integrated manufacturing processes that now the company now possesses. He also brought about an environmental revolution in the company and the zero liquid discharge implementation, which the company took part and implemented was well ahead of the industry or even regulatory requirements. Mr. Sankar passed away in April 17 2022. However, his legacy lives on. Could we observe a moment's silence in his honour? Thank you.

With the proceeds of the IPO that we spoke about, the term debt in Chemplast Sanmar has been fully repaid. The de-leveraged balance sheet and stronger cash flows helped in strong improvement in our credit profile. The company continues to be debt free on a standalone basis. As we stand today, we are a rejuvenated company with an experience of over five decades, and the soul of a startup. Indian market for specialty paste PVC and custom manufacturing is poised to grow at an unprecedented pace. With a strong balance sheet, the company is on the path to capitalise on myriad growth opportunities available to it. We are looking forward to grow Chemplast Sanmar, the high focus on scale, profitability, appropriate leverage and ESG. At Chemplast, there is a commitment

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to doing things the right way, which is very critical in a business where we engage with multiple chemicals and resources. Our growth has always been governed by strong environmental health and safety standards. Over the years, we have invested significantly in this area. All our manufacturing sites have zero liquid discharge plans, which ensures that no liquid effluent ever leaves the premises. All the liquid effluent is treated and reused within the process with no discharge outside. The coastal plants at Karaikal and Cuddalore on the east coast of India also have desalination plants, which ensures that we draw water only from the sea and do not disturb the groundwater table. We have also earned the right to use the Responsible Care logo, which is an international chemical industry initiative granted after very stringent third-party audits. Moreover, we release annual sustainability reports prepared in accordance with global GRI standards and assured by a Big Four audit firm. These reports have been released for 13 years now.

Our focus on consistently delivering outstanding operational results combined with our dedication to strengthening our balance sheet has helped us register excellent financial results this year. We delivered our highest ever consolidated annual revenue of rupees 5892 crores this year with a healthy EBITDA of 1197 crores. Our earnings per share of rupees 43.66 was also the highest recorded in the history of the company.

We will build on these achievements in the years to come as we advance our ambitions. We expect our performance to continue to benefit from supply-demand imbalances on both paste and suspension PVC, as also from the increasing focus and India in the custom manufacturing space. The outlook across our product portfolio, remains very positive over the medium and long term. There is a significant potential for us to capitalise on our existing infrastructure and grow our businesses at a relatively low investment and quick turnaround. Company has lined up capital investments of 725 crores across the next three years that should start translating into commissioned projects starting in the current year. Besides that, we are in the process of evaluating various other capital investment opportunities, which are present in each line of our business. We are focused indeed on driving growth at Chemplast Sanmar. While many projects in Chemplast Sanmar are already underway, the expansions in the subsidiary Chemplast Cuddalore Vinyls Limited would require comfort around feedstock and are very capital intensive. We continue to study options available to this business.

We are grateful to all our shareholders, customers, employees, suppliers, bankers, and all other stakeholders, all of whom are extremely critical to our success. We see significant opportunities for growth over the next several years and we look forward to the next stage of our journey together. Thank you.

Now those shareholders who have registered themselves as speakers will be unmuted by the moderator from KFin technologies and given an opportunity to speak one by one. As mentioned by our Company Secretary earlier we request the shareholders to restrict themselves to two minutes. We also request the speaker shareholders to announce the names before raising their queries. We will do our best to ensure that all queries are answered and we will do this at the end of all the questions being raised.

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Moderator: Thank you Chairman sir. I request our first speaker Mr. Nilesh Chandrakant Doshi to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Nilesh: Hello.

Moderator: Mr. Nilesh your voice is, we, I mean there is a disturbance in your voice Mr. Nilesh. Mr. Nilesh your voice is cracking. Mr. Nilesh, we request you to kindly mute your video and proceed with your audio question.

Mr. Nilesh: Hello. Am I audible?

Moderator: Mr Nilesh, there is still a disturbance in your audio output sir. We will, we will come back to you, we will move on to the next speaker. Mr. Suyash Kapoor, we request you to kindly unmute your audio, switch on your video and proceed with your question.

Mr. Suyash: नमस्कार Sir.

Mr. Vijay Sankar: Your voice is clear.

Moderator: Your voice is clear, audible kindly proceed with your question. Thank you.

Mr. Suyash: Sir, sir, firstly, if you could give us some more understanding on how are the prices for caustic soda currently flaring sir and what kind of capacity are we augmenting going forward since we are the third largest, I think so, player in southern India. So, where are we planning to be two, three years down the line and also the factors that are supporting the prices as in the outside community, you spoke about good times ahead in terms of prices and realisation for our product portfolio. So, if you could give us some more colour on the factors that enables you to come up with this conclusion and also sir, what portion of our chlorine sales are into the market and how much is captive sir? And what plans are we planning to increase the captive consumption? Sir, also some understanding if you could give about salt prices and what portion of our requirement is captive? And how are the prices flared up over the last few months if you could give us some more color? Coming to the finance part since you are now net debt free on a standalone level, on a combined debt level, I found around 800 crores of net debt and debt are long-term debt on the books. So, currently, what is our current debt and what is our cost of fund? If you could give us some more color and also sir, the steps taken by the management for the sustainability of the numbers. Sir, when we look, when we read your annual report, it is categorically mentioned that you are conserving the reserves and hence have not come up with any dividend payout. Sir, and we have kept very categorically because of X number of reasons even if the stock is trading below the IPO price and also, we have opted for not paying any dividends. So, when looking into that aspect can the Board look for the idea of buyback since you are looking at growth-

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going ahead and your stock is available, I think so more than 15% or 18% discount to what you have come up with an IPO in the in the near future. So, what's your thought process on that? And the CEO MD has written about value creation for shareholders. Sir, if you could elaborate by what means are you going to create value for your shareholders since we have opted not to pay dividends and also the price at which we have come up with an IPO that has also not been sustainable over a period of time? So these are my thoughts? I think so some understanding on the caustic soda price trends and reasons would suffice my answer and hope to have future interactions over conference calls as have been the case. Thank you for listening to me patiently sir. I come back. Thank you.

Moderator: Thank you, Mr. Kapoor. I request our next speaker Mr. Kaushik Narendra Shahukar to kindly unmute your audio, switch on your webcam and proceed with your question. Mr. Kaushik, we request you to kindly proceed with your question. Mr. Kaushik, you are not audible. We can see your video but you are not audible. Mr. Kaushik, we are not getting your voice, we request you to kindly check your audio connection, Mr. Kaushik, we request you to kindly check your audio connection. We will come back to you. I will proceed with our next speaker, Mr. Sarvajeet Singh, we request you to kindly unmute your audio, switch on your webcam and proceed with your question. Mr. Sarvajeet Singh, no response received. I will move on to our next speaker. Mr. Manjeet Singh, we request you to kindly unmute your audio, switch on your webcam and proceed with your question. No response received, I request Mr. Nikhil Jain, to kindly unmute your audio and proceed with your question, please.

Mr. Nikhil: Hello, are you able to hear me?

Moderator: Yeah, you are audible sir. Kindly proceed with your question. Thank you.

Mr. Nikhil: Thank you for the opportunity for the management team and KFin team for asking the question. I just had a couple of questions, actually. So one first question is with respect to our speciality business, the company is not giving further breakup of a speciality business between the CMO and the paste PVC business. It's my request that if you can provide that kind of breakup and some details about the CMO business, how big is it? What's the kind of EBITDA margin, so it will help to get a better idea about this business? So that is question number one. The second question is that, over the last couple of years, we have seen that there is a significant variation in our operating margins for the PVC segment over the last 3 4 years and I think we are still very, very influenced by what actually happens in China, if they shut down and they dump over here. So then our margins actually take a nose dive. So, my question is that earlier management in one of the conference calls or in conference calls have guided that they will be able to maintain a EBITDA margin of around \$300 per kg EBITDA margin. So, I just wanted to double-check on that and what can actually impact the margins not being sustainable at a level of \$300 per kg for the PVC business? So that's the question. And the third question is with respect to, another question with respect to PVC business, where I understand that Japan is probably the largest exporter of PVC to India. So, I just wanted to get some insights from the management team, on how Japan is able to, let's

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say, do it so competitively in India, right? So, are they more competitive than us, given the fact that we are also importing crude, and they have an additional cost of, let's say, shipping, output logistics and all which is quite expensive these days? So how are they able to do it? And is there any plan from the management side to take care of, to expand our capacities and reduce the country's import dependence on PVC? These are my three questions. Thank you.

Moderator: Thank you, Mr. Jain. I request our next speaker, Miss C.E. Mascarenhas, to kindly unmute your audio, search on your webcam and proceed with your question. Sir, no response received, I proceed with our next speaker, Mr. Venkatachalam Kandaswamy, we request you to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Venkatachalam: Good afternoon, Chairman. I am Venkatachalam from Erode. Thank you for the opportunity given to me for speaking on this occasion. Am I audible? Am I audible?

Moderator: You are audible sir. Yeah. You are audible sir. Kindly proceed with your question.

Mr. Venkatachalam: Thank you. Thank you, sir. Now one of the earliest speakers also touched upon this point which I am going to raise but in a different context. So, the company's share price has fallen significantly in the last few months. Even it went down by almost 30% to the IPO price. We do understand that the overall market sentiment currently which is moving has impacted and due to a lot of various external factors, the national or international level which are beyond the management control, we understand. That has also impacted the company's share price as well. Even after the company has performed, the results which you have shown, it's a fantastic result. The growth percentage you have shown, this financial year 21-22 really admirable but even under such situations, the price has not increased. I am sure with a consistent performance year on year and the growth projections which you have informed which are ongoing, it will appropriately reflect the proven intrinsic value of the company I hope in due course. Sir, chairman sir, can you please throw some light on the growth opportunities that you are working on? Please, sir.

Moderator: Thank you Mr. Kandaswamy. I request Mr. Nilesh Chandrakant Doshi to kindly unmute your audio, switch on your webcam and proceed with your question.

Mr. Nilesh: [Inaudible]

Moderator: Sir, we still face lot of difficulty. I mean, we are not able to hear you properly sir.

Mr. Nilesh: [Inaudible]

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Moderator: Mr Nilesh, there is lot of disturbance in your audio output. I request Mr. Kaushik Narinder Sahukar to kindly unmute your audio, proceed with your question.

Mr. Kaushik: I hope I am audible,

Moderator: You are audible. Kindly proceed with your question.

Mr. Kaushik: Good afternoon, everyone. First off, I would like to thank the Board of Directors for giving me an opportunity again, to speak in this forum. Many of you would remember me from the conversation of the past few years. So are we keep both my ask and introduction a brief. I hope I am clearly audible.

Moderator: You are clearly audible. Kindly proceed with your question.

Mr. Kaushik: Myself Kaushik Sahukar, a qualified chartered accountant and a practicing too from Mumbai. I have been suffering from dystonia, which has impacted my right hand, my right leg and a speech. While I have not let that come in my way. Hence, I do request your support in helping me to continue to be self-reliant. I hope I am clearly audible till now. I was optimistic after our conversation we had last year about me working for our organization on certification work, including Form 15CB. However, nothing has progressed since while I understand, things may not have progressed due to the pandemic situation last year. I do hope that after our conversation today, our organization will start engaging me in this area as soon as possible. Once again, thank you for the opportunity to speak today. I hope to see a positive movement forward with my ask. I support all the resolution also request you to please provide reflection to my ask. Also, finally, I How will the metaverse unfold and transform enterprises and any impact of war on our business? Thank you once again. Thank you so much.

Moderator: Thank you Mr. Sahukar. I request Mr. Nilesh Chandrakant Doshi to try once again, if you can just unmute your audio and proceed with your question. Mr. Nilesh, we are still not getting your voice. Sir with this, we have given the opportunity to all the shareholders who have registered themselves to speak at the meeting. Thank you back to your Chairman, sir. Thank you.

Mr. Vijay Sankar: Thank you.

Automated voice: You are now muted.

Mr. Vijay Sankar: Thank you, shareholders, for raising these questions. We will do our best to attempt to answer all of them. We will also attempt to answer some of the questions that came in through email before the meeting. So, I will take some of the questions and I will request my colleagues from Mr. Ramkumar Shankar, the Managing Director and our CFO Mr. Muralidharan to also answer some of these questions that

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were raised. We will try and answer as many of them today. The question that I would like to answer is around the dividend. It was rightly pointed out by the shareholder that there is an overall cash in the listed entity and we are debt-free. As explained earlier in my talk, we have already announced projects for around 750 crores and we do need funding to take care of these projects. Further, we are also looking at other growth opportunities in the company, which would further help us drive the growth of the speciality chemical business and those are the factors along with the fact that we just went public last year and our credit ratings have just improved very recently. Considering all of this, we decided not to consider dividend payout this year but we are still in the process of looking at this area in the next few months and once we have a firm grip on our further growth opportunities and we make announcements we will certainly appropriately address dividend or potential buyback in the future. I would now request Managing Director Mr. Ramkumar to answer some of the questions you raised around caustic soda and PVC. Ram.

Mr. Ramkumar: Thank you, Mr. Chairman and good afternoon members once again. There were a bunch of questions around caustic soda. Let me take that first. On caustic prices, the prices have been pretty strong over the last six months largely to do with the cycle having turned and caustic supply-demand being quite tight right now. Also the increase in energy prices has also helped keep caustic which is an energy-intensive process at a very high level. In India, the prices are north of rupees 50,000 per ton right now and we believe that these prices are expected to stay strong for at least a few quarters more. As far as our caustic capacity is concerned, on paper our capacity, we have 195 tons per day capacity at Mettur and today we are operating at 112 tons per day at Karaikal which is the other location where we have a caustic capacity. We are augmenting/ restoring the caustic capacity at Karaikal from 112 tons per day to 165 tons per day which should be completed by the end of this year. So, together we would take up our combined caustic capacity from the current around 310 tons per day to around 360 tons per day by the end of this year.

There was a question about how much of our chlorine is captive. Actually, that is one of the key advantages that your company has. 100% of our chlorine is captively used and that is the chlorine is used either in making ethylene dichloride which in turn goes on to make paste PVC or it is used to make chlorinated solvents like methylene dichloride chloroform and carbon tetrachloride and that is a huge advantage that the company has because we do not need to depend on third-party sale of chlorine. Chlorine, as you know is not an easy product to handle.

There was an associated question on salt. How much of our salt is captive? We have captive salt farms on lease and these farms technically cater to around 100% of our requirements. However, salt being a solar evaporative process, the manufacture of salt comes through solar evaporation. Unseasonal rains could result in a disruption in production, in which case we would need to buy salt. But if you look at the capacity, we have 100% of our requirements covered.

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The salt prices currently in India are roughly around 5000 rupees a tonne on a delivered price basis.

There were also a bunch of questions on suspension PVC and how the spreads in suspension PVC are expected to move. Post the pandemic with the resurgence in the PVC demand and extreme tightness in supply, the spread between PVC India and VCM Asia moved up significantly. In fact, in some months over the last 18 months, the spread even went up to the range of almost \$600 a ton. But if you look at a more sustainable pattern, the pattern has emerged with the spreads being in the range of around \$325 to \$400 a ton. And I would just like to make a small correction, this is not an EBITDA margin and it is not per kg. This is the spread between PVC price and VCM cost and this is dollars per ton. So we believe that this range of \$325 to \$400 a ton would continue in the next couple of years, given that there are no significant new capacities emerging in the world, while the demand continues to grow. Further, the Chinese carbide PVC capacities which are quite significant, are at threat due to the decarbonization initiatives of the Chinese government and the Minamata convention, and this could further reduce availability from China over the medium term. However, there would be some immediate short-term disruptions due to the current Chinese lockdowns due to the zero COVID policy, which may result in temporary surpluses emerging. But over the medium to long term, we believe that the Chinese capacities could reach a situation where some of that capacity could go off the grid and the spreads, as I mentioned, could be in the range of around \$325 to \$400 a ton.

There was another question that we received over email, which revolved around the impact of the Chinese environmental curbs on the PVC industry. Just to give some color to this, China has around 26 million tons of suspension PVC capacity. Of this 20 million tons is through the very old carbide PVC route, which actually starts from coal and this is a route which is both energy-intensive and highly carbon emissive and moreover, this route to make PVC uses Mercuric chloride as a catalyst, and countries around the world including China have signed up to the Minamata convention, an international convention, under which they have agreed to phase out the usage of mercury in industry, An alternative for Mercury has not yet been found and while there is no hard stop defined for this phase-out, this is likely to happen over the next 5 to 10 years and when this happens, a significant chunk of PVC capacity in China could go off the grid, and that could make availability even tighter. China is also committed to peak carbon by 2030, and carbon neutrality by 2060 and they are actually striving to achieve these targets even ahead of these dates. To achieve this, coal chemicals such as calcium carbide would need to be regulated and indeed already provinces within China are putting curbs on new projects or expansion of carbide PVC capacity and therefore, given all of this we believe that there would be significant pressure on Chinese PVC capacities going forward.

There was one other question that we received over email, which related to the challenges in the setting up of an integrated PVC plant starting from EDC, and what the cost of setting up such a project could be. Just to step back a bit, a PVC plant can be set up under different structures, a non-integrated PVC plant starting from imported VCM

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such as the one that we have in our subsidiary company at Cuddalore or a partially integrated PVC plant where ethylene and EDC are imported and VCM and PVC are produced or a fully integrated (and when I say fully integrated, it is on the chlorine side, not on the ethylene side). PVC plant which incorporates a caustic soda plant and EDC manufacturing facility and VCM / PVC manufacturing as well. Now, each of these routes has its own advantages and challenges. For instance, a non-integrated PVC plant starting from imported VCM is asset-light, quicker to market and we would be in a position to take advantage of raw materials spreads between PVC and VCM. But of course in this route, the full value addition would not be captured. A fully integrated plant on the other hand would be highly capital intensive - a 300,000 ton per annum, non-integrated PVC plant might cost only around \$125 million at a brownfield location of a 300,000 tons per annum fully integrated PVC plant would be closer to around \$700 million, while a partially integrated plant starting from imported EDC could be around \$375 to \$400 million if set up in India. An integrated plant either full or partial would also need to address the challenges of sourcing ethylene and India is not having any merchant supply of ethylene for purchase by downstream industries. One way to address this would be backward integration in an offshore jurisdiction, which has ethylene availability - the investment cost in that scenario would then depend on the location of the project and the nature of integration and arrangement that we finalize. So, that was one of the other questions that came through email and I hope that addressed what you had in mind.

There was another question on Japan and on how Japan is able to export large quantities of PVC to India and whether they are the largest exporter to India - actually, what the member said was right, Japan has been the largest exporter to India over the last couple of years or so. But in recent times, of course, and especially the last three months given the disruption and Chinese demand, the Chinese export to India has overtaken the Japanese exports to India, in the last three four months. But we believe that that would be temporary and all the normal order would be restored as soon as the Chinese demand recovers. The reason why the Japanese exports to India are economical and competitive is because of the free trade agreement that exists between Japan and India by which the import of PVC from Japan is 100% exempt from duty. That gives them an advantage and that is why Japan which earlier was exporting maybe around 2000 to 3000 tons per month has started exporting around 20,000 tons 30,000 tons per month to India. I trust that answers the question on Japan as well. On the numbers-related question, I would now request Muralidharan, our CFO to take those questions.

Mr. Muralidharan: Thank you Ramkumar. Good afternoon, everyone. I think there was a question around debt in the company. Currently on a consolidated basis, the company is debt-free. It is net cash positive of 362 crores. The holding company Chemplast, which is the listed entity, does not have any debt. The subsidiary has 867 crores of debt and the average cost of capital of the debt is 8.25% and the next question was on, there was a suggestion on the presentation of the custom manufacturing business and need to track the growth of that business separately. I think we talked about it earlier also in our calls. Internally we see the business under three different

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product groups. One is specialty chemicals, non-specialty products, these two are housed in Chemplast Sanmar. Specialty chemicals is the dominant product group in the Chemplast Sanmar. The non-specialty products caustic, chloromethanes are basically there to complete the integration story of Chemplast. The subsidiary is in the suspension PVC business. This is how we see the business and both the custom manufacturing and paste PVC are high margin and niche products and accordingly, they are grouped under specialty chemicals. As for the growth of customer manufacturing business, that the shareholder wanted to understand, we are very much focused on the growth of custom manufacturing. Last year, in fact, we achieved a growth of over 50% in that business and that's a business where we are also investing additionally 340 crores in the next few years. The first phase of investment will come on stream next year itself. So, we are quite focused on this growth and there is a steady stream of product pipeline in that business and you will definitely see significant growth happening in this business in the coming years. I think that probably sums up the two questions we had on the finance side. I would now hand it back to the Chairman.

Mr. Vijay Sankar: I think the one other question was around, you know, Mr. Sahukar's question around, I don't recollect last year we spoke about this. We can certainly look into the comments / points raised Mr. Sahukar. I think with that, we have addressed most of the questions raised by the shareholder members and I would like to thank all the members for attending the 38th Annual General Meeting and I would also like to thank all the stakeholders and the KFin tech team for providing the services for this e-AGM. I now declare the 38th Annual General Meeting as closed. The e-voting window will be open for another 15 minutes for the shareholders to cast their votes and the results of the remote e-voting will be announced to the stock exchanges and available on the website of the company within 48 hours. Once again, thank you very much.
