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Chemplast Sanmar Limited – 39th Annual General Meeting

M Raman (company Secretary): Good afternoon, ladies and gentlemen. I, M Raman, company Secretary, welcome you all to the 39th 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 Annual General Meeting, I would like to give you an overview of the process to participate at this meeting through video conferencing. The members who have joined the meeting are by default put on mute mode to avoid any disturbance arising 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, speaker shareholder will be unmuted by the moderator to enable him/her to speak before the called out shareholder starts speaking, he/she is required to click on the mic and video button on the screen and if for some reason they are not able to join through video mode, they are advised to join through audio mode. The speaker shareholders are requested to use a stable Wi-Fi 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 end, the moderator will mute such a shareholder and the next speaker will be called upon to maintain continuity of the meeting.

Once the connectivity improves, the previous speaker will be called back again as per the queue. Speaker shareholders are requested to mention their names before raising their queries. We request the speaker shareholders to limit their queries, speech or clarifications to the subjects covered under the resolutions proposed to be moved at the Annual General Meeting and also restrict themselves to two minutes so as to provide fair opportunity to all other members who desire to speak. If any shareholder faces technical issue relating to login, he or she may contact the help desk as mentioned in Page five and seven of the AGM notice. The Chairman will be chairing the meeting from the registered office of the company in Chennai. With this, I request the Chairman to take over and conduct the proceedings of the meeting.

Chairman: Good afternoon Ladies and gentlemen, I welcome you all to the 39th Annual General Meeting of the company which is being held through video conferencing as per provisions of the Companies Act 2013, SEBI LODR and the circulars issued by the Ministry of Corporate Affairs and SEBI. 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. First, may I request Mr. Vikram Hosangari to introduce himself.

Mr. Vikram Hosangady: Very good afternoon. I'm Vikram Hosangady, Non-Executive, Non-Independent Director of the company from May 2023. I'm a member of the Stakeholders Relationship Committee and I'm attending this AGM from the registered office of Chemplast Sanmar in Chennai.

Chairman: Thank you, Vikram. May I now call upon Mr. Sanjay Bhandarkar to introduce himself.

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Mr. Sanjay Bhandarkar: Thank you, Chairman. Good afternoon, shareholders. I'm an independent director of your company. I also chair the Audit Committee of the company and I'm a member of the Nomination and Remuneration Committee and the Risk Management Committee. Thank you very much.

Chairman: Thank you, Sanjay. May I now request Mr. Adit Jain to introduce himself.

Mr. Adit Jain: Good afternoon, shareholders. I apologize for the little delay in introducing myself. My name is Adit Jain. I am an Independent Director of your company and I have been on your board since April 2021. I am a member of the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and the Risk Management Committee. I am attending this Annual General meeting from Bangalore. Thank you.

Chairman: Thank you, Adit. Could I now call upon Mr. Prasad Menon to introduce himself? Thank you, Chairman.

Mr. Prasad Menon: Good afternoon, shareholders. My name is Prasad Menon. I'm an Independent Director of the company from April 2021 and I'm a member of the Audit Committee. I'm attending the AGM from Hyderabad. Thank you.

Chairman: Thank you. Could I now request Dr. Lakshmi Vijay Kumar to introduce yourself?

Lakshmi Vijay Kumar: Good afternoon, everyone. I'm Dr. Lakshmi Vijay Kumar. I'm an Independent Director of the company from April 2021. I am a member of the Corporate Social Responsibility Committee and I'm attending this meeting from the registered office here in Chennai. Thank you.

Chairman: Thank you. Dr. Lakshmi, could I now call upon Mr. Ramkumar Shankar, Managing Director to include himself?

Mr. Ramkumar Shankar: Thank you, Chairman. Good afternoon shareholders. I am Ramkumar Shankar, Managing Director of your company. I'm attending this AGM from the registered office of the company at Chennai.

Chairman: Thank you Ramkumar. 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 the secretarial auditor 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 SEBI circulars, the notice of the 39th AGM and audited financial statements for the year ended March 31st, 2023, together with the Board's and Auditor's reports have been sent through e-mail 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 39th Annual General Meeting as read. The auditor's report being unqualified and unmodified, is not required to be read out at the AGM as per provisions of Section 145 of the Company's Act, 2013. Since all the resolutions contained in the notice for the AGM have already been

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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 facilities as well as e-voting at the time of the meeting to the Shareholders. Today, there are four resolutions proposed to be passed as set out in the notice of the 39th AGM of the Company. I, as 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. The Company has appointed B Ravi and Associates, Company Secretaries represented by its Managing Partner Dr. B Ravi as the Scrutinizer for conducting the process of remote e-voting and e-voting during the AGM in a fair and transparent manner. The members who have not exercised e-voting may exercise their votes electronically after the conclusion of the meeting. I will now move on to my speech.

A very good afternoon to all. On behalf of the esteem members of the Board, I'm delighted to welcome you all to the 39th Annual General Meeting of Chemplast Sanmar Limited for the financial year ending March 31st 2023 being held through video conference. The Directors report and the audited financial statements for the financial year ended March 31st, 2023 are already with you and with your kind permission, I take them as read. In an evolving macro environment, the financial year 22-23 was relatively subdued for us as well as the industry. During the course of the year, our business encountered various headwinds including the slowdown of the Chinese economy on account of the strict Zero COVID-19 policies, geopolitical tensions, global recession, a sharp increase in energy costs, inflation and increasing interest rates across the globe. There was excessive dumping of PVC resin from China into the global markets, especially India, which led to significant pricing pressures. Amidst the sluggishness, our custom manufacturing business clocked a strong 26% growth in revenues during the year. Overall, we delivered a resilient performance in a challenging year with an annual revenue of Rs. 4941 crores and EBITDA of Rs. 468 crores. Our EPS for the year stood at Rs. 9.64. Having said that, our custom manufacturing and specialty PVC businesses are set for unprecedented growth. We have earmarked a capex of over Rs. 1000 crores towards expanding capacities in these businesses. These expansion projects are currently in progress and anticipated to be successfully commissioned during FY23-24. The 41,000 ton speciality Paste PVC project is on track to be commissioned in the second-half of FY23-24. I'm happy to inform you that, as informed to the press and stock exchanges, the first phase of the new multipurpose production block project, which was set up at an investment of around Rs. 300 crores by the custom manufactured chemicals division of Chemplast Sanmar, was dedicated yesterday in the presence of the Board of Directors. The new production block is designed and constructed based on best-in class safety standards for such a facility. The block is fully automated with the state-of-the-art automation system and also incorporates various sustainability initiatives to reduce water consumption. The project activities related to the second phase of the production block are also underway and are expected to be completed over the next eight months. Phase-1 of the custom manufacturing facility will commence operation shortly and the next phase is expected to be operationalized before the end of the year. These investments will further augment our market leadership and solidify our position as a trusted partner for global innovators in the agro chemicals, fine chemicals and the pharmaceutical industries. We are also studying further growth opportunities in allied areas of our businesses. On the medium to long term outlook, the demand for all our products appears to be very strong and the energy costs have begun to fall. While there are near term challenges, we are bullish about the overall business scenario and our capital investments will increase our margins and underpin our competitive position even further.

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We continue to exhibit a firm commitment to sustainability in today's dynamic and evolving marketplace, reinforcing our position as a frontrunner in the domain of responsible business practices. We aspire to set new norms, inspire change and contribute to a world where wealth and sustainability go hand in hand through our responsible pursuit of a sustainable future. Even though the chemical industry globally is facing tough times, I'm extremely optimistic about our business segments and I'm confident of our journey ahead. I'm very grateful for the support that our Board members, our dedicated team and all the other stakeholders have given us over the years. We will continue to work with our pioneering spirit, embrace change and capitalize on the best opportunities that come our way. Thank you.

Now those who have registered themselves as speakers will be unmuted by the moderator from KFin Technology and given an opportunity to speak one by one, we request the shareholders to restrict themselves to two minutes. The speaker shareholders are requested to announce their names before raising their queries. All the replies will be provided appropriately at the end.

Moderator: Thank you Sir. I request our first speaker Mr. Kaushik Narendra Sahukar to unmute yourself. Switch on your webcam and proceed with the question. No response received. We will move on to our next speaker Mr. Vinay Vishnu Bhide to unmute yourself, switch on your webcam and proceed with your question. I request Mr. Vinay Vishnu Bhide to unmute yourself, switch on your webcam and proceed with your question. No response received. I request our next speaker, Mr. Manjit Singh, to unmute yourself, switch on your webcam and proceed with the question. I request Mr. Manjit Singh to unmute yourself, switch on your webcam and proceed with the question. No response received. I request our next speaker Mr. Bharat Raj to unmute yourself, switch on your webcam and proceed with the question.

Mr. Bharat Raj: Hello.

Moderator: Yes sir, you are audible.

Mr. Bharat Raj: Yeah, very good afternoon, entire Board of Directors. First of all, I'm Bharat Raj calling from Hyderabad. Sir, first of all, happy to see you all safe, healthy and fine under the leadership of our Chairman and Managing Director. The company's performance was wonderful Sir. Sir, the revenue has increased. We are the number one in specialty Paste PVC resin and we are the number one in other chemical products in South India, Sir, wonderful Sir. And the expansion plan also is wonderful Sir, because expansion is very important in this present market. Sir. I hope in 2024 you are opening that expansion plant. Wonderful Sir. Chairman, Sir, we have wonderful CSR program. Everything is given in detail in our annual report this year you are not declared any dividend, Sir. Can we expect at least interim dividend Sir? Please let me know Sir and due to the shortfall our revenue, our profit has been come down this financial year drastically due to the China country. So how we are facing the challenge, this will be continued this financial year? Please let me know Sir. Chairman Sir our secretary department is doing wonderful job. So they send in time annual report and they sending the access of this link also. But our company secretary is not accessible. I don't know how to contact him. Please give an opportunity. Please give an access to company secretary. If anything issues are there so that can I can talk to him. Chairman Sir, can you please arrange a plant visit of any of our plants at Chennai or Pondicherry. So that we want to see how our products are manufactured. Sir, it will be great opportunity

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for us. These instructions who are the speakers who are attending will be more happy sir. Chairman. Sir, I support all the resolutions. My best wishes to you. Take care Sir. Be happy. Be safe Sir, if it is possible just you have a physical AGM so that we can have a face to face interaction. Sir. All the best Sir. Thank you very much for giving this operation. God bless you all.

Moderator: Thank you Sir. I request our next speaker, Mr. Jayadeep Bakshi to unmute yourself, switch on your webcam and proceed with the question. I request Mr. Jaydeep Bakshi to unmute yourself and proceed with the question. No response received. I request our next speaker, Mr. Sarvajit Singh to unmute yourself. switch on your webcam and proceed with the question. I request Mr. Sarvajit Singh to unmute yourself. Switch on your webcam and proceed with the question. No response received. I request Mrs. CE Mascarinas to unmute yourself, switch on your webcam and proceed with the question. I request Mrs. CE Mascarinas to unmute yourself, switch on your webcam and proceed with the question. No response received. I request Mr. Jaideep Bakshi to unmute yourself, switch on your webcam and proceed with the question. You are audible. You will proceed with the question.

Mr. Jaideep Bakshi: Thank you MD and CFO I'm Jaideep Bakshi calling from the city of Kolkata.

Moderator: Mr. Jaideep Bakshi, there is a disturbance.

Mr. Jaideep Bakshi: Hello

Moderator: Yes sir, now you are audible. Please continue with your question.

Mr. Jaideep Bakshi: --Not Clear--—What are our energy and water conservation program? What is the risk and impact of the dumping of PVC by China into India? What and are we sourcing our materials from the MSME sector? So I wish the company all the best and I've trusted by both in the coming year. Thank you, Sir.

Moderator: Thank you, Sir. With this, we complete our question and answer session for the day. Over to you, Chairman, Sir. Thank you.

Chairman: I think we had two shareholders, who had questions. First is Mr. Bharath Raj from Hyderabad who had asked a question on declaration of dividend. As we had explained earlier, we have a large expansion program of over Rs. 1000 crores in place and there is a need by the company to conserve resources. And hence with that in mind, we have decided not to declare dividend, which is within the framed policy guidelines for dividend He had a second question on risk and threats from China. I think this was explained earlier. Our performance last year was impacted due to the dumping from China. But we expect that with quantitative restrictions and other trade measures that the industry has placed before the government, we are confident that there are no long term threats from China. As far as the third question goes, he had asked a question regarding the possibility of visiting our plants. As you know, there are a lot of safety aspects involved in the chemical industry and we typically do not allow outsiders to visit our plants. So it is difficult to arrange plant visits from a safety perspective. Next shareholder Mr. Jaideep Bakshi had asked a question on the amount of energy consumption. I have it as

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45.49 crore of energy units of energy consumption. His other questions unfortunately were not fully audible given the background noise.

I would like to thank all the members for attending the 39th Annual General Meeting. I would also like to thank all the stakeholders and the KFinTech team for providing the services for this e-AGM. I now declare this 39th Annual General Meeting has closed. The e-Voting window will be open for 15 minutes for the shareholders. After votes, the results of the remote e-Voting and e-Voting would be announced to the stock exchanges and placed on the websites of the company within 48 hours. Thank you.
