

File Name	Meeting Date
CHEMPLAST SANMAR LIMITED	08-08-2024

## **Chemplast Sanmar Limited- 40<sup>th</sup> Annual General Meeting**

**M. Raman:** Good afternoon, ladies and gentlemen. I, M. Raman, Company Secretary. Welcome you all to the 40th Annual General Meeting of the company which is being held through video conferencing and other audio-visual means. Before we start the proceedings of this Annual General Meeting, I would like to give you an overview of the process to participate in the Annual General Meeting. The members who have joined this 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 names 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 shareholder starts speaking, he or 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 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 connectivity issues at the speaker shareholder end, the moderator will mute and such 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 speaker shareholders to limit their queries to the subjects covered under the resolutions proposed to be moved at the Annual General Meeting and also to restrict themselves to two minutes so as to provide fair opportunity to all other members who desire to speak. If any shareholder faces technical issues related to login, she or she may contact the helpdesk mentioned in page numbers 10 and 12 of the AGM notice. The Chairman will be chairing the meeting from the registered office of the company at Chennai. With this, I hand over to the Chairman to conduct the proceedings.

**Vijay Sankar:** Good afternoon, ladies and gentlemen. I welcome you all to the 40th Annual General Meeting of the company. As per section 103 of the Companies Act, 2013, the requisite quorum is present and I call the meeting to order. There are five sections to this AGM. First, the introduction of my fellow directors and the key managerial personnel. Second, the statutory and procedural requirements, including e-voting. Third, the Chairman's speech. Fourth, questions and answers, asked questions by the shareholders and answers. And last but not least, the vote of thanks.

First, I would like to introduce my fellow Directors who are present at this meeting. Mr. Ramkumar Shankar is the Managing Director of the company. He is a member of the CSR committee and he's also the Managing Director of Chemplasts Cuddalore Vinyls Limited, the wholly owned subsidiary of the company. Mr. Sanjay Bhandarkar, Independent Director of the company and also the Chairman of the Audit Committee. He is also a member of the Nomination and Remuneration Committee and Risk Management Committee. Mr. Vikram Hosangady, Non-Executive, Non-Independent Director of the company. Vikram

File Name	Meeting Date
CHEMPLAST SANMAR LIMITED	08-08-2024

is a member of the Stakeholders Relationship Committee. Mr. Aditya Jain, Independent Director of the company. He is the Chairman of the Nomination and Remuneration committee, the Stakeholders Relationship Committee and also the Risk Management Committee. Mr. Sumit Maheshwari, Non-Executive, Non-Independent Director of the company. Mr. Prasad Menon, Independent Director of the company. He is also a member of the Audit Committee. Dr. Lakshmi Vijaykumar, Independent Director of the company and a member of the CSR committee. I would also like to state that Mr. Chandran Rathnaswami, Non-Executive, Non-Independent Director of the company, retired from the Board of Directors with effect from the 10<sup>th</sup> May 2024 and the Board of Directors place on record their deep appreciation of the valuable services rendered by Mr. Ratnaswami during his tenure as Director of the company. 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 this AGM is being held through video conference or other audio-visual means, physical attendance of members and 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 40th AGM and audited financial statements for the Financial Year ended the 31 March 2024, together with the board's and auditor's reports had been sent through email and also hosted on the website of the company, website of the stock exchanges, that is Bombay Stock Exchange, National Stock Exchange and also the website of the registrar and share transfer agents. I now take the notice of the 40th Annual General Meeting as read. The auditor's report, being an unqualified, unmodified report, is not required to be read out at the AGM as per the provisions of section 145 of the Company's act 2013, also as the Director's report and the audited financial statements for the Financial Year, the 31 March 2024 are already with you. With your kind permission I take them as read. 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. Company has offered a remote e-voting facility as well as e-voting at the time of the meeting to the shareholders.

Today, there are six resolutions proposed to be passed as set out in the notice of the 40th AGM of the company. I, as the Chairman, order e-voting during the AGM on all the ordinary resolutions and the special resolution. 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 remote e-voting may exercise their votes electronically up to the conclusion of the meeting.

I would now like to present my speech for the Financial Year 2023-24. Over the decades, the company has positioned itself as a strong entity in the Indian chemical sector. The company has three businesses, the Specialty Paste PVC business, the Custom Manufactured and

File Name	Meeting Date
CHEMPLAST SANMAR LIMITED	08-08-2024

value-added Chemicals business and the Commodity Suspension PVC business which is a part of the subsidiary Chemplast Cuddalore Vinyls Limited. Despite being a challenging year for the industry, your company delivered consolidated revenues of Rs. 3923 crores for the fiscal year 2023-24 and EBITDA of Rs. 26 crores. The lower EBITDA compared to the previous year was primarily due to a significant drop in the prices of all our products and the rampant dumping of PVC from China and the slowdown in the agrochemical industry.

The custom manufactured chemical segment is poised to bounce back and this is reflected at the pace at which we are commercializing new products. I'm happy to announce that we have signed five LOIs in the past 20 months, also commissioned phase one of our multipurpose block last year and phase two is expected to be commissioned by September 2024. It also gives me great pleasure to update all of you that the board has approved an investment of about Rs. 160 crore to increase the production capacity of the custom manufactured chemicals division at Berigai. This investment will enhance the capacity of the new multipurpose production block significantly. All this means there are exciting times ahead for this segment.

As regards Speciality Paste PVC, the company is the largest producer of this product in the country and to further consolidate our position as the market leader, we have expanded the capacity by 41,000 tonnes. The new plant, which is based out of Cuddalore is ramping up production as we speak and is expected to hit full capacity in a few months. The finished product prices have started to look up from the lows that were witnessed in the Financial Year 2023-24. Regulatory authorities have taken note of the dumping of Speciality Paste PVC into India and have already announced provisional anti-dumping duty measures to address this.

Moving on to the value-added chemicals which saw a decline in revenues due to lower volumes and prices, pricing pressure arose from excess supply in India due to recent capacity additions. We anticipate these challenges to persist for some more time until the supply-demand balance is restored. Meanwhile, we have completed the restoration of the caustic soda capacity at Karaikal, increasing product availability by 20,000 tons per annum.

In our Suspension PVC business, which is housed in the wholly owned subsidiary company, Chemplast Cuddalore Vinyls Limited, we delivered modest results considering the significant dumping of materials from other countries, especially China, which dampened the prices. Industry has filed an application for levy of anti-dumping duties and we expect an announcement on this by the end of the third quarter.

We have strategically shifted our focus to building capacities and capabilities, especially in these challenging times. This will help us reap significant rewards when the industry recovers. This is evident from the fact that we are expanding in our custom manufactured chemicals division. We commissioned the 41,000 ton Specialty Paste PVC expansion project and also increased our caustic soda capacity by 20,000 tons. All of the above are a clear demonstration of our resilience and ability to prepare and seize opportunities. Our

File Name	Meeting Date
CHEMPLAST SANMAR LIMITED	08-08-2024

investments in R&D and production capabilities, combined with a commitment to sustainability, position us well for future success. We adhere to rigorous environmental standards including a zero-liquid discharge policy, desalination plants, rainwater harvesting and groundwater recharging. These efforts, along with improving market conditions, provide a solid platform for growth.

On this forum, I would like to express my sincere thanks and deep appreciation to our entire management team and to all the employees of Chemplast Sanmar Limited for their grit and commitment during these challenging times. Your dedication and hard work have been invaluable. I also want to extend my heartfelt gratitude again to all our stakeholders for their relentless support and confidence in our ability to deliver sustainable, long term growth. Your trust and encouragement have been crucial to our resilience and continued progress. Thank you.

Now those shareholders who have registered themselves as speakers will be unmuted by the moderator from KFin Technologies and give an opportunity to speak one by one. We request the shareholders to restrict themselves to two minutes each. The speaker shareholders are requested to announce their names before raising their queries. Replies will be provided appropriately at the end of all the questions I now hand over to the moderator to invite the speakers.

**Moderator:** Thank you, Chairman sir. I request our first speaker Mr. Sarabjit Singh to kindly unmute your audio, switch on your video and proceed with your question.

**Sarabjit Singh:** Hello. Chairman sir, can you hear my voice?

**Moderator:** Yes, you're audible sir. Thank you.

**Sarabjit Singh:** Chairman sir, first of all good afternoon to you all, the Board of Directors, all the staff of our company Limited and my co fellow shareholders. Chairman sir, जिस तरीके से आपने अपनी opening remarks में कंपनी के बारे में बताया, इससे सर ये साफ होता है कि आने वाला जो हमारा समय है कंपनी का, वो एक अच्छा समय है. और सर, जिस तरीके से मैंने अपने शेयर का देखा, 52-week low रहा करीब 342 का और high रहा करीब 826 रुपये का. सर, आज भी हमारा शेयर 525 रुपये पर जरूर है. और सर, ये कोई दिक्कत आई है कंपनी में या कोई profits में कोई नुकसान आया है, जिसकी वजह से आज भी हमारे शेयर 7% के लगभग गिरा हुआ है? और सर, जिस तरीके से हमारी promoter holding around 54% है, तो सर, हम अपनी promoter holding बढ़ाने के लिए कोई buyback वगैरह ला रहे हैं या आगे क्या कुछ है, तो सर, थोड़ा इस बारे में बताएं. बाकी Chairman sir, यही कहना चाहूंगा सर कि आपके registrar इतने अच्छे हैं कि उन्होंने एक-एक shareholder को बताया कि आपका speaker number इतना है और आप इस कंपनी में speaker shareholder हैं. बाकी सर, इतना जरूर कहना चाहूंगा कि आप अपने Secretarial department में अपनी Company Secretary की जरूर पीठ थपथपाइएगा, जिनको सर इतना भी होश नहीं है कि किसी shareholder को फोन करके उसे speaker number बताए या आप speaker registered हैं या नहीं, कुछ ऐसा बताएं. हां, सारा काम आप लोगों ने सर सिर्फ registrar पर

File Name	Meeting Date
CHEMPLAST SANMAR LIMITED	08-08-2024

ही छोड़ रखा है, सर. शुक्र है कि registrar इतना बढ़िया है कि वो सब कुछ बता देता है. नहीं तो, सर, कंपनी तो ऐसे ही तरक्की करेगी अगर ऐसा ही Secretarial department काम करेगा, तो सर, ये कंपनी का जो भविष्य है, वो बढ़िया ही रहेगा, सर. क्योंकि आपकी लापरवाही से चलना है, खुद देखना ही नहीं है कंपनी कहां चल रही है, कुछ पता ही नहीं. बाकी सर, आपने हमें बोलने का मौका दिया. Thank you Chairman sir.

**Moderator:** Thank you, sir. I request our next speaker Mr. Manjit Singh to kindly unmute your audio, switch on your video and proceed with your question. Mr. Manjit Singh we request you to kindly proceed with your question. No response received. We'll move on to our next speaker. I request Mr. K. Bharat Raj to kindly unmute your audio, switch on your video and proceed with your question.

**Bharat Raj:** Yeah. Very good afternoon, Chairman sir. I am Bharat Raj, attending from Hyderabad. How are you sir? Last time we met sir. It is wonderful sir wonderful performance by our company sir. We are the monopoly in our chemical sir, I'm very happy sir. Chairman sir in this Financial Year wonderful CSR program and thanks for the wonderful dividend payout. Chairman sir I thanks my secretarial department. They, in time, sent me the Annual Report and the link. They're always accessible. I have few questions asked in front of you sir. Company has any plans to come for the right issue for expansion of plan sir? Please let me know. Any QIPs or preference issues? Please let me know sir. Chairman sir, [inaudible] that is pending sir and the dry fruits also, it is pending sir. I want to bring to your notice sir I'll be more happy this is love and happiness of our company sir. This I want to bring to your notice at least this change Financial Year. I hope I receive that plant visit and dry fruits sir. Once again my best wishes to you sir. All the best for coming here sir. Take care. God bless you.

**Moderator:** Thank you, Mr. Bharat Raj. I request our next speaker Mr. Kaushik Narendra Sahukar to kindly unmute your audio, switch on your video and proceed with your question. Mr. Kaushik Narendra Sahukar, we request you to kindly unmute your audio switch on your video and proceed with your question.

**Kaushik Narendra Sahuka :** I am audible?

**Moderator:** You are audible and visible. Kindly proceed with your question. Thank you.

**Kaushik Narendra Sahukar:** Our respected sir and distinguished guests. Good afternoon to all. It is an honor to stand before this esteemed gathering today. I extend my heartfelt gratitude to the Board for granting me the opportunity to be part of the important event. First and foremost, I would like to commend Chairman sir, Mr. Vijay Sankar for the comprehensive presentation on the state of our company. His insight was so thorough that I find myself with no question. Though as a speaker, it's my duty to ask. So, with this mindset, I have few points of concern. Can we continue to trust in the resilience of Chemplast Sanmar business model? And how can the company ensure that shareholders' value remain intact? Does our company still faces competition from China? Has there any benefit from PLI scheme and Make in India that can be seen? Can you also provide percentage term revenue

File Name	Meeting Date
CHEMPLAST SANMAR LIMITED	08-08-2024

from rural and urban areas? Before I conclude, I want to extend my sincere thanks to entire secretary team, especially Mr. Raman for their support and for making this event possible for me. While our company does support initiatives for specially-abled individuals, I have been disappointed that my request for assistance in the area of certification audit, including form 15 CB, has gone unanswered, despite my repeated attempts. I understand Company's priorities. But I urge you to consider my request this time and engage with me in the area of certification audit and help me to lead a life with dignity and self respect. I am sure that our Chairman, Mr. Vijay Sankar and our CS, Mr. Raman would find my request practical. I must noting that ways to engage with me. Finally, I propose utilizing the substantial savings from the virtual mode of meeting for the benefit of speaker shareholders. This would involve arranging site visits from speaker shareholders or distributing a token of appreciation for our esteemed speaker shareholders during festivals. And on a lighter note, given our shift to virtual meetings, maybe next time we should consider virtual Hi Five competition to keep things lively. Thank you all for your attention.

**Moderator** : Thank you, Mr. Sahukar. I request our next speaker, Mr. Jaideeo Bakshi, to kindly unmute your audio switch on your video and proceed with your question. Mr. Jaideep Bakshi, we request you to kindly proceed with your question. No response received.

**Jaideep Bakshi** : Yes. Yes. Good afternoon. Good afternoon, sir. Am I audible?

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

**Jaideep Bakshi** : Yes. Good afternoon, Chairman and Board of Directors, myself Jaideep Bakshi connecting from the city of Kolkata. Initially there was some starting problem because this link was not coming up sir. Initial speech was very informative. No questions remain to be asked. Just want to know the investment plans for making, maintaining our leadership in our area and opportunities for growth in other areas, are we thinking of. And what is our thoughts regarding green energy? And sir, as my first speaker has rightly pointed out there was no response from our Company Secretary or the secretarial department. Only this KFin team had contacted us each and every time before this starting of this video conference. Kindly look into this matter and continue with this VC so that we can get connected. Thank you, sir.

**Moderator** : Thank you, Mr. Bakshi. I request our next speaker Mr. Nilesh Chandrakant Doshi, to kindly unmute your audio switch on your video and proceed with your question. Mr. Nilesh, we request you to kindly proceed with your question. Mr. Nilesh, we request you to kindly unmute your audio, switch on your video and proceed with your question.

**Nilesh Chandrakant Doshi** : Hello. Yeah, I'm audible now?

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

**Nilesh Chandrakant Doshi** : Yeah. Okay. Good afternoon Chairman and Board of Directors. My name is Nilesh Doshi from Baroda. Well we note that the last Financial Year 2023-24



File Name	Meeting Date
CHEMPLAST SANMAR LIMITED	08-08-2024

was a tough year for the company. We hope 2024-25 will be the good year now. Especially given that the PVC project and the other projects are coming on the stream. I have only one question to the Chairman. Would you like to know your views on the PVC prices going forward And I also take this opportunity to wish the management team all the very best for the upcoming year. Thank you very much, sir.

**Moderator** : Thank you, Mr. Doshi. We request our next speaker C.E. Mascarenhas to kindly unmute your audio, switch on your video and proceed with your question.

**C.E. Mascarenhas** : Hello. Am I audible?

**Moderator** : You are audible, madam. Kindly proceed with your question.

**C.E. Mascarenhas** : Okay. Thank you. Respected Chairman Mr. Vijay Sankar, MD other members of the Board, my dear fellow shareholders I am Mrs. C. Mascarenhas speaking from Mumbai. First of all I thank the Company Secretary M. Raman and his team for sending me an e-Annual Report, physical report would have been better and registering me as a speaker. Thanks to the KFin for giving me this platform to speak. Now working is very difficult. This year was a very difficult year all throughout. But usually my saying is that 'tough times don't last but tough people will always last'.

So now I go ahead with my queries. First one is have you listed ESG on any dedicated ESG platform domestic or international? What is our rating score? Number 2, are we using AI (Generic AI) in our operations and how much do we spend on this tool? What will be the requirement for CapEx for the next three years? Lastly, these are very challenging times and only I have to wish you all the best to face these challenging situations in a very bold and strong way. And whatever it is, I support all the resolutions. I wish my company all the best. Thank you for giving me this platform to speak and hearing. And, I wish all of you especially good health, as health is wealth. With this, thanks. And the next speaker is Mr. Aloysius Peter. He will speak.

**Aloysius Mascarenhas** : Hello, hello.

**Moderator** : Sir, you are audible, sir. We request you to kindly proceed with your question. Thank you.

**Aloysius Mascarenhas** : Hello, hello, hello. I'm the next speaker in the queue. Can I speak?

**Moderator** : Sir, you are audible. Kindly proceed. Thank you.

**Aloysius Mascarenhas** : Yeah, yeah. Respected Chairman, sir, very distinguished members of the Board and my fellow shareholders. Good evening to you all. My name is Aloysius Mascarenhas. At the outset, I thank the management, Company Secretary for sending me such a beautiful balance sheet which I received on time. e-balance sheet which I received. Now, the results are not good, but anyhow, I'm looking forward for a better future. Now,

File Name	Meeting Date
CHEMPLAST SANMAR LIMITED	08-08-2024

many questions have been asked by my fellow shareholders. I endorse the same. I would like to know what is the future roadmap and who are our main peers and competitors? Rest, I don't want to ask any more questions. So I end my speech, wishing you personally all the Board members and more importantly all the all your employees, all the very best in the days and years to come with this, sir. Thank you very much for patient hearing. Goodbye, good luck and happy ending. Thank you.

**Moderator** : Thank you. Thank you Mr. and Mrs. Mascarenhas. So with this we complete the speaker session. We have given the opportunity to all the shareholders who have registered themselves as speakers. Over to your Chairman, sir. Thank you.

**Vijay Sankar** : Thank you. I think the very pertinent questions were raised by many of the shareholders today, I'd like to now address some of them. First, there are a set of questions related to the rights issue of QIP and potential buyback. As you know, we got an enabling resolution, and it's purely an enabling resolution passed to enable us to raise resources. But there are no definitive plans announced by the company on any of these fronts and we will certainly keep you posted. Another set of questions related to competition from China and also the PVC prices. As you know, this is very interlinked. The company, both in its Specialty PVC business and also in its Suspension PVC business through its subsidiary, Chemplast Cuddalore Vinyls Limited, has been facing the brunt of competition from China and dumping of PVC and Specialty PVC at very low prices. The company, along with others in the Indian industry have taken up with the authorities for measures to protect Indian industry against this unfair dumping from other companies in other countries. And we are sure that the Government will take heed of this and there will be appropriate measures which will be put in place which will help Indian industry stand on its own feet and, you know, be in line with Make In India. There were a couple of questions related to potential site visits. I request our Company Secretary to co-ordinate all these visits and if there are enough people wanting to visit, we'll certainly enable such visits to our plant. It will be more than welcome. There were some questions around the ESG aspects of the company. As you know, the company is a pioneer on many fronts in ESG, including a question raised on green energy. This is something that we are consciously looking at and you will see announcements in the near future once we go ahead on this path. green energy is something that we're studying very closely. As far as ESG goes, the company was amongst the first chemical companies in India to go in for a complete zero-liquid discharge facility many, many years ago and continuously focusing on reducing its carbon footprint and also improving its ESG score. It's a journey and certainly something that we'll continue to keep a watch on in the years to come. There was also a question raised on dividend payout. Unfortunately, as we have said, this year has been a very tough year financially and we have decided to conserve our resources and are unable to offer a dividend. I'm certainly sure that with the years to come, once financial numbers turn around and the company's performance improves, this is certainly something that we will look-at in the years to come. I think. Sorry, there was one more question on investment plans by the company and as I had explained earlier in my speech, the Board has approved Rs. 160 crore expansion in our custom-manufactured



<b>File Name</b>	<b>Meeting Date</b>
<b>CHEMPLAST SANMAR LIMITED</b>	<b>08-08-2024</b>

chemicals division. And certainly that will be the continuation of our plan to expand in that division. And you will certainly see more announcements once those plans come to fruition. I think with that we have answered all the questions raised by the different shareholders. We thank them, thank all the shareholders for taking the time to come in and ask the questions and we certainly hope to improve our processes and procedures as relates to our interactions with the shareholders in the years to come. And we certainly are looking forward to a better future. They've been very patient and we're looking forward to their support and in the years to come, we'll certainly look forward to repaying the faith that they've shown in the company. Thank you, again. I now declare the 40<sup>th</sup> Annual General Meeting as closed. The e-voting window will be open for another 15 minutes for the shareholders to cast their votes. The results of the remote e-voting and e-voting will be announced to the stock exchanges and on the website of the company on or before Monday the 12 August 2024. Thank you very much.