

**Transcript of “67<sup>th</sup> Annual General Meeting”**

**of ELANTAS Beck India Limited held on**

**9 May 2023 at 10.30 a.m. through Video Conference/ Other Audio-Visual Means**

**Company Participants:**

**Mr. Suresh Talwar**  
Independent Director

**Mr. R. L. Shenoy**  
Independent Director

**Mrs. Usha Rajeev**  
Independent Director

**Mr. Srikumar Ramakrishnan**  
Managing Director

**Mr. Sanjay Kulkarni**  
CFO and VP - IT & Procurement

**Mr. Abhijit Tikekar**  
Head Legal & Company Secretary

**Other Key executives, Representative of Statutory Auditors and Secretarial Auditors cum Scrutinizers and Shareholders**

**Welcome Address - Mr. Srikumar Ramakrishnan:**

Namaskar, Good Morning Ladies and Gentlemen, I am Srikumar Ramakrishnan, the Managing Director for ELANTAS Beck India Ltd. It is 10.30 a.m. now.

Let me announce that since this Meeting is on a virtual platform, there are no proxies who are allowed to participate in the Meeting. At this point in time, we have 46 Shareholders present for the Meeting. As the quorum is present, I call the 67th Annual General Meeting to order.

As Mr. Martin Babilas, Chairman of the Company is unable to attend this Meeting, hence the Board has unanimously decided to request Mr. Suresh Talwar to take the chairmanship for the AGM. Mr. Ravindra Kumar and Mr. Nandkumar Dhekne are also unable to participate in this Meeting on account of their prior commitments. Other Members of the Board are taking this call virtually from their respective locations.

For the benefit of our Members, I request the Members of the Board who have participated, as I call out, to kindly introduce themselves and the location from where they are participating.

**Mr. Suresh Talwar**

I am Suresh Talwar, an Independent Director and I am participating from the Registered Office.

**Mr. Ranjal L. Shenoy**

I am R L Shenoy, an Independent Director and Chairman of the Audit Committee and Stakeholders' Relationship Committee. I am participating in this Meeting from my residence in Mumbai.

**Mrs. Usha Rajeev**

Good morning, I am Usha Rajeev, I am an Independent Director. I am participating in this Meeting from Residence in Gurugram.

**Mr. Srikumar Ramakrishnan:** Apart from the Directors, Mr. Sanjay Kulkarni CFO and Mr. Abhijit Tikekar Company Secretary are participating in the Meeting on the virtual conference.

Also present are Mrs. Sarah George, partner of M/s PWC who are our Statutory Auditors, Mr. Prajot Tungare, Partner of the firm M/s Prajot Tungare & Associates, Secretarial Auditors and scrutinizers for this Meeting & for the voting process, from their respective offices.

I now request Mr. Abhijit Tikekar, Company Secretary to inform you the General guidance and protocol to be followed by you all in this Meeting by video conferencing for the smooth conduct of this Meeting. Over to you Abhijit.

**Abhijit Tikekar:** Thank You Mr. Srikumar.

Good morning, Ladies and Gentlemen, for the benefit of the Members, let me inform you that The Register of Directors & KMPs and their shareholding, the Register of Contracts and arrangements in which the Directors are interested are open for inspection online.

Now, I would like to take you through certain points regarding the participation in this Meeting which have been already communicated to you via notes to the AGM Notice. I request the Members to kindly adhere to the same for smooth conduct of the Meeting.

The facility of joining the AGM through Video Conferencing/ Other Audio-Visual Means is being made available for the Members on a first cum first served basis. All Members who have joined this Meeting are by default, placed on a mute mode by the host to avoid any disturbance arising from background noise. Once the question answer session starts, the names of the Members who have registered as Speakers will be announced one by one. The concerned speaker will thereafter be unmuted by the host to start speaking. If the speaker is not able to join through video for any reason, the speaker can speak through the audio mode. While speaking, the Speaker is requested to use Headphones so that he is clearly audible. Also, he is requested to minimize any ambient noise and ensure that Wi-Fi is not connected to any other device so as to achieve maximum bandwidth. In case there is any connectivity problem at the Speaker's end, we would request next speaker to join in. Once all the speakers finish their speech, opportunity will be provided once again to those speakers who could not speak earlier due to connectivity issue. We would like to request the speakers to kindly limit their speech to 3 minutes. Also, the speakers who have sent the questions in advance, in the interest of time, may not kindly repeat the same. During the AGM if any member faces any technical issue, he may contact the helpline number 1800222990 which has been also mentioned in the Notice of the AGM.

Pursuant to the applicable provisions of the Companies Act 2013, read with Rules framed thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company had provided the facility of remote e-voting as per the timeline mentioned in the Notice. The remote e-voting has already concluded on 8 May 2023 at 5.00 P.M. IST. Members attending the AGM and who have not voted using remote e-voting platform, shall be able to cast their vote during the AGM. The window for e-voting has been activated and Members can cast their votes simultaneously while participating in the proceedings of the Meeting.

Thank you very much.

Now, may I request Chairman to take forward from this point.”

**Mr. Talwar:**

Thank you, Mr. Abhijit.

Once again Good Morning dear Shareholders. I welcome you all to the 67<sup>th</sup> AGM. This Meeting on virtual platform is necessitated on account of the social distancing norms which make it difficult to assemble all the shareholders at a common venue.

The AGM notice along with the annual report for the financial year ended 31 December 2022 was sent to the Members on their registered email addresses.

Since the notice of the AGM was circulated to all the Members, I take the notice as read.

There are no qualifications, adverse observations or comments or other remarks on the financial statements of the Company which have any material adverse effect on the functioning of the Company, from Statutory or Secretarial Auditors. Therefore, the auditors reports need not be read. The Directors' Report and the Management Discussion and Analysis Report therein, properly summarize the financial highlights and significant business developments for the year 2022, whereas the Corporate Governance Report highlights the Governance Standards followed by the Company.

The Board of Directors has recommended a 50% dividend on the paid up share capital of the Company i.e. Rs.5.00/- per equity share of Rs. 10/- each which is in line with the dividend distribution policy of the Company.

Your Company continued its momentum in 2022. Buoyed by the increased demand in the first few months of the calendar year, the company was able to achieve a milestone revenue in 2022.

The year started with a fresh variant of COVID 19 virus and the Russia Ukraine conflict which created an imbalance in the supply chains.

Your company's teams continued their work across the value chain to ensure supply continuity for its customers with a minimal cost impact. Working with the customers across the industry segments your company's teams realized price increases to minimize the inflationary pressure on raw materials.

The robust ERP System & IT platforms; the R&D capability and the continuing progress in developing process technology helped the Company to navigate through this period. With a focus on new product development and installation of additional manufacturing assets your company was able to position its products and gear itself to cater to the new applications that emerged.

Your company was able to report a revenue of Rs.64,191.96 Lakhs which is a 23% increase as compared to the year 2021 with a margin of Rs.1,796.84 Lakhs which is an increase of 27% over a last year. This is the highest ever sales that your company has achieved.

The focus on development of new products and solutions to emerging industry trends allowed the company to grow in a market which saw a demand slowdown in the later part of the year.

In order to sustain its market position, your company has commissioned new equipment's at its Ankleshwar plant and is prepared to serve the additional demand that is anticipated as our economy grows. The Company's team retains its focus on working with its partners to collaborate and anticipate the industry requirements with a focus on value added products utilizing its technology leadership and local manufacturing capabilities.

On Corporate Social Responsibility arena, prevalence of Covid -19 pandemic made the Company to realign its CSR activities. Being the need of an hour, the Company contributed majority of its CSR spend to PMCARES and PMNRF funds.

However, in the current year, we are confident to carry out projects in the field of education.

Safety is at the forefront when it comes to our operations and processes. The Company is focused on identifying opportunities to improve its processes and capabilities around Quality, Environment, Health and Safety. These continue to be accorded the highest priority & are constantly reviewed for identification of opportunities to reduce wastes and conserve natural resources.

Before I close my brief statement, I would like to express my sincere thanks to my colleagues on the Board for their continuous and valuable contribution. I also thank the ALTANA management for its continued and unstinting support on all fronts. Here, I also wish to place on record our sincere appreciation of the contribution made by all employees of the Company.

Finally, I wish to thank you (shareholders) for the interest you have shown in the affairs of the Company for all these years.

Now I request Mr. Abhijit Tikekar to narrate each item of agenda for the benefit of the Shareholders.

Thank you."

**Mr. Abhijit Tikekar:** Thank you Chairman, let me briefly narrate the various items of the agenda of today's Meeting.

Item 1	Adoption of the Balance sheet as at 31 December 2022 and the Statement of Profit & Loss for the year ended on that date along with the Directors' Report and Auditors' Report.
Item 2	To declare a dividend on Equity Shares for the year 2022.
Item 3	To appoint a Director in place of Mr. Martin Babilas (DIN: 00428631) who retires by rotation and being eligible, offers himself for re-appointment.
Item 4	Ordinary Resolution to ratify the remuneration paid to Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Firm Registration No.000030) appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial year ending on December 31, 2022.

Since all the resolutions are put to vote through remote e- voting process, there will be no proposing and seconding of resolutions.

Now I request the shareholders who have given their names to speak at the AGM to express their views and ask queries on the working of the Company. As we have got 16 speakers, I would request each to speak for not more than 3 minutes please.

All the questions received before the AGM and the questions which will be asked by the Members will be responded after all the speakers have completed expressing their views or asking their queries.

I request the host to unmute first Speaker that's Ms. Lekha Shah.

**Ms. Lekha Shah:** Hello! Can you hear me sir!

**Host:** Yes Madam, we can hear you! Please ask your question!

**Ms. Lekha Shah:** Respected Chairman sir, Board of Directors and my fellow members good morning to all of you. Myself Lekha Shah from Mumbai. First of all, very much thankful to the Company Secretary for sending me the AGM notice well in time which is the full of knowledge, facts and figures. I am very grateful to the company secretarial team. Abhijeet sir has answered all my calls and cleared all my doubts. Thank you, chairman sir, for explaining aspects relevant to the Company. Sir, I pray to God he showers all his blessings upon you. Thank you for the dividend, sir. Sir, I am glad that the company is doing very well in the field of CSR activities. Chairman sir, the company will continue video conferencing in the future. Sir, I am confident that with your vision and determination you will lead our company to greater height and also, I pray to God our company should progress more and more under you and your team sir.

Sir, I would like to ask few questions.

My first question is, what is the total number of employees and how many women employees working in our company. I strongly and whole heartedly support all the resolutions for today's meeting. Thank you, sir. I request you to please arrange the factory visit.

**Mr. Srikumar Ramakrishnan:** Welcome ma'am

**Mr. Abhijit Tikekar:** thank you Mrs. Shah. I request the host to unmute second speaker that is Mr. Satish Shah.

**Host:** Mr. Satish Shah is not available in the meeting.

**Mr. Abhijeet Tikekar :** okay. We can move to the third speaker that is Mr. Himanshu Upadhyay.

**Mr. Himanshu Upadhyay:** hello good morning am I audible?

**Host:** Yes, you are audible. Please turn on your video and ask your question.

**Mr. Himanshu Upadhyay:** I will just speak my questions because the internet maybe unstable.

First of all, congratulations on great set of results. We have seen one of the best margins for the company. I have sent my questions and one of the issues which is generally worrying us is the volume degrowth which has happened in last year. And despite of volume degrowth EBIDTA is one of the best we have seen. Which is good but the risk or worry is have we left certain portion of business which are low margin and hence revenues and EBIDTA have grown and volumes are not grown if that is the case is there threat of competitors taking away some of our customers in future once they get settled in low margin businesses. So, it is just question which I have and various other questions, but I think this is just a worry which we have.

That's all from my side.

**Mr. Abhijeet Tikekar :** thank you Mr. Upadhyay. May I request the host to unmute 4<sup>th</sup> speaker that is Mr. Aspi Besania.

**Mr. Aspi Besania:** thank you for giving me an opportunity to talk. Next year also please hold the meeting in hybrid form rather than only physical. Coming to the accounts, income is increased by 23% on low tonnage that means selling prices have increased by 25%. You can explain on that and how much can we expect in current year increasing selling prices and how do you see company in current year going up or down. Which way ?

You are maintaining the dividend of rupees 5/- per share.

New product introduction, it is mentioned that the Company expects that the new products with focus on emerging segments will help this business to grow its volume in this segments. So what are expecting from new products?

On page 35, it has written that the group is in EV segment, how will introduction of hydrogen car by Toyota affect our company with its new concept hydrogen combustion engine which will be introduced by Toyota shortly. Page 36 operating profit has increased from 15.84% to 18.49%. how much more can we expect an increase in the percentage.

On Page 117, we paid royalty of Rs.363 crores this year where is the dividend was only 3.6 crores. Please reduce royalty and focus on dividend.

Do not give bonus or split I would like our price to go up like MRF. We contribute to the PMCARES fund, but there is no accountability of that fund. Thank you so much and all the best for the future.

**Mr. Abhijit Tikekar:** Thank you very much Mr. Aspi. Now may I request to unmute the next speaker that is Mr. Dipankar purkayastha.

**Mr. Dipankar Purkayastha:** Good morning and thanks for the opportunity I have sent list of my questions there are about 8 questions and I would request you to give as one of the shareholders said specific point wise reply.

Only in the interest of the time I will not repeat those questions. But there is only 1 point which I would like to highlight and that is the matter regarding the acquisition of land in lieu of the earlier proposal to acquire land at Talegaon which we have dropped. The last 2 AGMs I have been attending and have been hearing various things from the management which says we are looking at alternative sites various shareholders also had given suggestions to look at Dahej and other names were also mentioned but the annual report is completely silent on this aspect and whatever expansions we are

doing on existing site at Ankleshwar where the sword of pollution control board still hanged. It has not been permanently withdrawn. So, I would like clear cut reply on this issue, are we really interested in going for any alternative land and if so, what is the difficulty. I know it takes time to acquire land but if you look at the other companies in the chemical industry, they all have already acquired land long ago or they are actively getting land acquired so what is the hitch with this company not being able to acquire land. I am not able to understand. Every time we are told in the AGM that management is looking at possibilities I think now board should also start fixing responsibilities for this matter we can't allow this to be dragged on year after year. That is the one point I wanted to highlight, because company is sitting with the cash I think which is Rs.90 Crore plus deposits plus investments in mutual funds. If you can't spend this on expansion, then better to return money to the shareholders. That is one point I wanted to highlight.

The other points are databased questions which I will wait for the specific answers.

So, thank you again for the opportunity and good day.

**Mr. Abhijeet Tikekar:** Thank you Mr. Purkayastha. May I now request to unmute the next speaker that is Mr. Sudhir Golecha.

**Host:** Mr. Golecha please unmute yourself, start your video and ask your questions.

**Mr. Abhijit Tikekar :** There seems to be a technical problem at your end hence we will provide you an opportunity to speak at a later point of time. Now, with your permission we move on to the next speaker. So, host unmute the next speaker that is 7<sup>th</sup> speaker Mr. Harshit Golecha.

Looks like there is a technical issue. Lets move on to 9<sup>th</sup> Speaker that is Mr. Lakshit Golecha.

**Mr. Lakshit Golecha:** Congratulations sir first of all. Good morning. My first question, by substituting raw material as mentioned in our annual report whether there will be any reduction in the prices of the product sold resulting in lower revenue but higher margin year on year there has been no change in the tons produced as asked by another shareholder in 2022 versus 2021 and revenue increase by 23.5% because pass through of raw material prices, there was high price growth in the revenue.

In 2022 the average crude oil price was at around \$100 it has now come down to \$70. How do we see it affect our revenue in 2023 sir?

So, net net how much raw material substitution fall in crude oil prices affect revenue in 2023 year on year sir?

My next question, with last year's 40% capacity increase and this year's 25000 tons increase what will be a total capacity and by when can we expect last year 40% and 25000 tons to get materialized and how much of it already started?

Given that, tremendous demand and growth in motors automobile and renewable energy industry and localization everywhere will it be reasonable to assume that we will be able to run at our hundred percent capacity in 2023 itself.

What is the current capacity utilization after the above mentioned capex ?

There was a transfer of 13 crore from CWIP. How much tons of production is equivalent to cater for the second segment?

What will the split between the first and the second segment be in the new CAPEX which will be continued to do.

We have flexibility to produce second segment products in equipment as that of the primary product equipment's.

My next question, 50% of our revenue comes from motors so the colour changing still beam dyeing will be a great addition to our portfolio are we hopeful to commercialize it by this year? Are we planning to launch new products in the composite manufacturing and printed electronics application by this year?

And add third division apart from primary and EL segment ? Because big names like Sundaram Group has started scaling up composite businesses.

My next question, how much more possible for us to expand our capacity through brownfield sir, Because we are continuously doing brownfield.

Now I will hand over this mike to Harshit. Can Harshit ask question in this call itself?

**Mr. Talwar :** Yes

**Mr. Harshit Golecha:** Good Morning Sir, what is the status of Greenfield project?

We have liquidity of 400 crores and we have mentioned it clearly that we are conserving for Greenfield expansion and delays in getting permission.

We are hopeful of a Greenfield permission at least by H1 of 2023.

Or atleast some inorganic growth through acquisitions like that of Huber group. How much tons are we planning to add by green field? With reduction in import duty of certain electronic components the assembly of electronic has increased in India.

Is my reading right if I ask that even if import increases with the increase in assembly of electronics our second segment business will also increase?

Does our second segment business comes completely from assembling companies like Dickson Amber, Sigma Kent's etc.

What is our revenue from EV products? Is it coming entirely from EV motor? If not, can you name few more solutions which we are providing for EVs in India like thermal interface management material etc.

With inflation now subsidizing and with increase in share of low volume high value products can we achieve or expect to achieve 25% of Plus EBIDTA levels in the quarters to come.

In 2022 we had a volume of 27000 tons how should we look at 2023 in terms of volume or tons Sir?

Are we facing any competitions in segment sir? Because in India it is mostly imported. Are we monopoly product manufacturer in India? As we all are aware of the tremendous growth in India what are the views and hopes of ALTANA for India particularly from ELANTAS Beck India.

Once global uncertainty settles.

**Mr. Tikekar:** Mr. Harshit we couldn't hear you.

**Host:** Mr. Harshit...!

**Mr. Abhijit Tikekar:** for the moment we will move on to the next speaker since Mr. Mithani cannot join may I know request to unmute 10<sup>th</sup> speaker that is Mr. Dilip Jain.

**Mr. Dilip Jain :** am I audible?

**Host:** Yes, you are audible.

**Mr. Dilip Jain:** Thank you... wish you a very good morning our board of directors and MD sir.



Through a BSE announcement dated 1<sup>st</sup> April 2022 we comprehend that our company received CTO for approximately 40% additional capacity at our Ankleshwar plant from GPCB.

How much of this capacity in absolute numbers of metric tons as percentage tends to create confusion so please share capacity in absolute numbers which is commissioned as of now. And how much of this capacity in absolute numbers of metric tons is dedicated to segment 2 that is engineering and electronic resins versus segment 1 that is electrical insulations.

My second questions Sir is through our BSE announcement dated 21<sup>st</sup> February 2023 we comprehend that our Company received CTO for another 25000 metric tons approximately for the Ankleshwar plant from GPCB. Does this take our total installed capacity of our company ELANTAS Beck India Limited including Pimpri now to approximately 75000 to 80000 metric tons and how much of this total capacity's tonnage in absolute numbers is dedicated to segment 2 any timeline horizon on when this capacity will be commissioned.

My question 3 during calendar year 2022 we utilized approximately 26500 metric tons of total tonnage by volume. How much of this total tonnage volume in absolute numbers utilized solely by segment 2.

My 4<sup>th</sup> question sir, as per page 37 of our annual report under major projects, a new wire enamel line having a capacity equal to the biggest reactor in ELANTAS group was successfully commissioned at Ankleshwar and that we expect to reduce cycle time and power consumption in addition to meeting market requirements through this reactor. Heartiest congratulations sir, for this stellar achievement I earnestly request you to elaborate on this in quantitative as well as qualitative details, if possible sir.

And my last question is, page 19 of our annual report discussed 14 new product launches targeting new applications. Page 20 of our annual report discussed a polyesterimide resin of low emission as technology imported. I honestly request you to elaborate a little bit on this sir. Thanks a lot Sir wishing you the best.

**Mr. Abhijit Tikekar:** thank you Mr. Dilip now may I request to unmute the 11<sup>th</sup> speaker that is Mr. Ashok Jain please.

**Mr. Ashok Jain:** Thank you sir good morning to everyone I am Ashok Jain from Pune. On page 37 we have stated we have achieved a drastic reduction in customer complaints over past years and thus sales returns. If any due to quality issues, that are practically Nil. That is hundred percent of a quality which are accepted by customers. Sir as a layman shareholder with a little knowledge of chemical industry I still feel this is to be a stellar achievement by team ELANTAS under able leadership of our MD Srikumar sir. Sir it is my humble request to all the shareholders and board of directors present here to applaud it with the standing ovation to all the workers of ELANTAS including our MD Srikumar sir.

**Mr. Srikumar Ramakrishnan:** Thank you.

**Mr. Ashok Jain:** sir, on page 20 mentions that VOC-free non-hazardous technology has been imported and will be fully absorbed by 2024 does it mean that these products would not fall under manufacturing storage and import of hazardous chemicals rules of 1989 and all the other rules that we have to follow as a player in the chemical industry. And will we able to manufacture of this product at any of our plans as per demand without any licenses.

And my last question, sir, do you have mentioned in last year's AGM that brownfield Ankleshwar expansion is good for us in short to medium term and we are looking at few land parcels for Greenfield expansion where there are less delays as compared to Talegaon. Will the above mentioned VOC free non hazardous technology broaden our choice of Greenfield sites for expansions beyond PCPR regions because lot of this chemical companies they are putting a plans in Dahej and PCPR regions. Shall we then permitted to establish Greenfield project to manufacture products on a new site located in densely populated regions like Pune, Pimpri without having to acquire a license for the same.

I will be very obliged if you answer my questions and all the best for future and thank you so much.

**Mr. Srikumar Ramakrishnan:** Thank you

**Mr. Abhijit Tikekar:** Thank you Mr. Jain May I know request the host to unmute 12<sup>th</sup> speaker that is Mr. Athreya Ramkumar

**Mr. Athreya Ramkumar:** Hi, good morning Thank you for the opportunity so most of my questions have been probably repeated so I will quickly run through them.

So my first question is on revenue mix for the year if you could throw some light on that and last year you had mentioned that the value added products contributed one third of the revenue so what is the approximately portion right now and if you could just tell us what is actually classified as value added products and last year despite volatility in the oil prices historically We have seen reduction in margins when oil prices shot up but last year actually we have done really well with respect to margins what does really cost this and due to mix split in revenues and products please throw some light on that.

And how sustainable are these margins as well.

My third question is the capacity that other speaker has mentioned if you could throw some light on what is the current capacity as of today including the 40% expansion and the 25,000 tons approval which we have got if in quantitative numbers you could give. Also, despite of 40% expansion, beginning of first quarter of last year the volume as previous speaker has mentioned were flat. What are the reasons for this because my understanding is lot of other sectors have shown growth whether it is EMS industries or the power industry and auto industry as well especially in the EVs. So, why are the volumes flat and what is the current capacity utilization overall?

Also I would like to have some clarity whether our green field expansion plans are intact and also how many tons would we be looking to add if you are going for a Greenfield expansion?

Also if you could just throw some light on the permanent approval process from the Gujarat Pollution Control Board so where are we standing on that ?

Is that going to be a continuous issue and do we expect to get their approval as soon as we seem to be adding the capacity only in Ankleshwar.

We have also mentioned in the annual report that there are 14 new products introduced especially in the electric vehicle segment if you could throw some light on how the application of the new products and what the offtake would be ..

My second last question would probably be on export, we have not exported anything from India and margin seems to be on higher than the global merging is the ALTANA group looking to export from India, use India as the manufacturing base is the opportunity in the future and just on the capacity expansion part if you could just throw some light how long it will take for the capacities which have been added to reach optimum capacity utilization that would also be helpful.

That is the end of the questions. I just had one the request the Investor relations or disclosures are pretty poor compared to other companies especially MNCs so if you could just probably have press release or make a presentation at least yearly on business and what are the results etc that would be really helpful for all the shareholders as well thank you.

**Mr. Abhijit Tikekar:** thank you now may I request the host to unmute the 13th speaker i.e. Mr. Punal Keshit

**Host:** Mr. Punal is not available in the meeting.

**Mr. Abhijit Tikekar:** ok. So could you please unmute the next speaker that is Mr. Yogesh Patil

**Host:** Mr. Yogesh, please unmute yourself and ask the question.

**Mr. Yogesh Patil:** good morning everyone and thank you very much for hosting me. Sir, there are so many questions already discussed so I will not be repeating. I am adding some things. Recently EBB mentioned in the presentation this year electronics market in India is growing by 30% CGR mentioned that but if you see our capex plans or capital work in progress doesn't reflect so are we are we market, government, and company differently or we are missing something either in product side or because of land we can't increase capacity so we need some more clarity because one side everybody is gung ho on electronics manufacturing and but it doesn't reflect in our capex plans. This is point number one.

Are our capacity fungible and what is our capacity utilization as of now?

What is the opportunity only for semiconductors only because semiconductors going to be a new driver in electronics. And how much revenue coming from new product launch in last 5 years because in last 6- 7 years lot of products but what is their growth and if you see electrical insulation market picked up when you see the demand from the motors and transformer is picking up. And electronics is also picking up but considering the size of the economy, is not reflecting the full opportunity here.

Just want few clarifications and thank you very much and all the best.

**Mr. Srikumar Ramakrishnan:** Thank you

**Mr. Abhijit Tikekar:** thank you Mr. Yogesh. Now may I request to unmute the next speaker that is Mr. Shreya Loonkar please.

**Mr. Shreya Loonkar:** Hi, am I audible?

Good morning everyone thank you so much for this opportunity certain questions have been sent I believe those will be taken but sincere request many times we ask these questions but some of them do not get answered in the appropriate sense and since this is one way communication if you could just take them a little bit one point by point. In addition to that couple of questions if you can offer some comments on the market share growth. Over the last three four years and especially after Huber acquisition what that has happened again in the annual report we find that data missing Which ideally is considered as a basic hygiene. Second part is, in a past we have discussed your threads of Chinese imports and obviously we all know Covid and the logistics issue would have helped us there but now given the China is opening up if you can give us your perspective on how do you see that competitive landscape changing.

Other point that I wanted to emphasize was the EBIDTA per ton which has moved up quite starkly i.e. 29000 to 42000 plus if you can give us some idea on how we should eat see as a sustainable and given that hopefully we will resume on volume growth next year should this be maintained or how should we kind of look at it on EBIDTA per ton basis.

The other part was again the anxiety between the shareholders on your second division and we believe as we have observed what is happening in India there seems to be the addressable opportunity seems to be expanding far faster than our volume growth which gives us anxiety to believe that are we losing our market share to competition and which makes us anxious on your role as India goes up on the value add curve from a manufacturing stand point because there are many of other MNCs are echoing significant optimism on that front but we couldn't sense much from the annual report on that if you can be a little more elaborate on that, that will be very helpful.

The other part was again lot has been spoken about the capacity as in capacity diversification but in that light I would like just to add one more aspect how do you see as a management or capacities are centered around at one location and how do you think about diversification from a location stand point from a prudency perspective.

Although we know you have expanded this 40% capacity at Ankleshwar but within Ankleshwar what is the kind of land mine which still exists if tomorrow you may not be able to source another land how far can be Ankleshwar existing capacity after 40% expansion can be utilized that is the part a of the question and the part b of the question is how much more land is available for you to expand for the next couple of years.

With that sir, again I will leave to you with just one request, which we have been requesting over the last few years I have been a shareholder of more than a decade maybe one and half decade and really look forward to your annual report with great hope, great expectations if you can give more details more disclosures that will be very helpful and the same time sir, many of our German parents based out of Pune itself do conduct analyst meet at least once a year with earnest efforts to explain the business a lot more in detail and the strategy thereby would really request you to whether any analyst meet or concall or a presentation any effort they can towards bettering the governance standards

**Mr. Abhijeet Tikekar:** thank you Mr. Loonker.

Now may I request to unmute 16<sup>th</sup> speaker i.e. Mr. Jaydeep merchant please.

**Mr. Jaydeep Merchant:** like many of the previous speakers I request that the questions be answered in detail the physical AGM was a great opportunity to interact with the management of the company unfortunately there is no cross questioning in online AGM so please answer all the questions and request if you can give a press release or presentation on your website help us to understand what is happening in the business that will be very helpful thank you.

**Mr. Abhijit Tikekar:** thank you Mr. merchant now we have got some speakers left like Mr. Satish Shah or Mr. Mithani are they available for speaking right now?

**Host:** no they are not available.

Now may I request Mr. Srikumar to kindly take over from this point please and respond to the questions.

**Mr. Srikumar Ramakrishnan:** thank you everyone for all those who sent their questions in advance. Thank you. And for others who asked we have noted them down and try to address each of that together so since lot of the questions seems to be around capacity maybe I'll start with that first and maybe Mr. Yogesh Patil and Mr. Golecha roughly had the same questions. So in terms of electronics there seems to be a good progress so is automobiles and co- sectors like Transformers. Considering all those arguments, how much capacity company needs to increase fulfilment of demand over next 3 years and what's the current capacity utilization so in terms of capacity possibly with the last two additions one was in quarter one of 2022 and fact that the we have got that capacity didn't mean that we could start producing that immediately the equipment needed to be installed something that came in the month of March or last week of March 2022 we were able to add that capacity and start shifting that material out somewhere in the quarter 4 so starting October we were able to depending on the product and the mix between 8000 to 10000 tons per annum of additional products could be shift out that's the potential with the installation and the commissioning and some of that was capital work in progress so we had most of that in place. It was just about setting up a building and directing it. That has added between 8000 to 10000 tons of capacity, post which there was another question Mr. Jaideep Merchant has asked how much time would it be take to fully exhaust Ankleshwar's expanded capacity. With the expanded capacity of roughly 8000 to 10000 tons we got and the additional 25000 so roughly around 30000 tons Ankleshwar potential to expand from what it was existing then. We talked off we installed one reactor which would take it up by another 8 to 10000 tons we visualize a phase wise installation or expansion into the brownfield also the question we will start with the infrastructure. Lot of infrastructure work that's going to happen this year and Mr. Purkayastha also had a question around with the sword hanging around Ankleshwar how did we look at there was Mr. Ramkumar also checking

whether what does it mean with respect to capacities and how should we look at from a permanent resolution of issue that we had at Ankleshwar. Well, the company has made all the attempts from representation to the pollution control board and the fact that we have been able to get the additional consent to operate or the permissions to expand the same site to me, is a positive signal from the government that the actions taken by the company are taken cognizance of by the relevant authorities and that's how the permissions are coming in place it would take I would not be in a position to confirm when the permanent revocation or the issue at Ankleshwar will get fully resolved it's always a matter of representing our case and expecting that the authorities give us but so far it's a periodic one. So, when we look at capacity we are looking at it from the both the angles of how does it look at from a revocation angle and how much should we add in and like I said Ankleshwar has a plant roughly 40 years since it got commissioned over period of time we feel that as we look at next phase of growth the infrastructure needs to be equipped to do that so it will start with basic infrastructure or warehousing making it more sustainable housing the buildings properly the equipments and the reactors that come in would continue to function.

So over the next 5 years, it will take us roughly to complete all the capacity that is required. I think Mr. Jain also had a question of what is the exact capacity in Pimpri and Ankleshwar. In terms of ability to produce or permit we are closer to 65,000 to 70,000 tons that's the approved capacity that is already made available in terms of our ability to expand. Of that, we will be closer to a 40,000 tons of installed capacity which we can look at and you know the numbers what we have sold so over the next couple of years we would be in a position to cater to the market demand with the growth that is anticipated from the volume side so that's not going to be a bottleneck. Mr. Shreya Loonkar has asked What were the historical limitations in capacity addition and how will the company overcome them to maximize gains in light of the expanded opportunities? Is the delay in execution a threat to the company allowing competition to play a role.

Historically the largest bottleneck was the time taken was getting approval from the pollution control board to the CTO thankfully both the quarter one of 2022 and quarter one of 2023 we have been able to get the permission which allows us to expand us for next 5 years with the installed and additional line for which we got an approval in quarter 1 of 2022 what commissioned in quarter 4 of 2022 with the addition of that the capacity is ahead of the demand anticipated the next couple of years and like I said we also making investments to prepare infrastructure to enable us to production equipment and the capacity that something that happen between 23 and 24 so Loonkar also had a question about the wire enamel capacity biggest reactor in the ELANTAS group significant landmark do you think ELANTAS India can overtake China over the next decade?

Well ELANTAS India overtaking China just depend on national development takes place we really look forward to us growing at a rate faster than our global peers that's Mr. Golecha had a question about how does Altana look at India and specifically ELANTAS Beck India limited. So, the management of ALTANA is very supportive looking at a results for the last 2 years India has been the fastest growing country for ALTANA that just not that includes all the divisions of ALTANA. ELANTAS Beck is also contributed that. There is positivity around it. Other question how ALTANA look at ELANTAS big as a manufacturing base, it depends on our cost competitiveness as a nation as we shift into other regions hopefully we are looking at it.

Mr. Dipankar Purkayastha also had a question around level of capacity utilization so currently we are at 70% of installed capacity utilization and from a granted capacity utilization would be 40 to 45% of the permitted capacity from an installed capacity 70% is towards segment 1 today as we bring our new equipments on it will keep varying and the hopefully at the end of I will be able to answer that in greater detail.

Mr. Dilip Jain also had a question around 40% capacity in absolute numbers dedicated to segment 2 versus segment 1. Out of the 42 000 tons capacity close to 12000 tons would be for segment 2 and balance would be for a segment 1.

Another question, Mr. Jain you had asked does the capacity 75000 to 80000 but like I said 65 to 70000 that we have. that's the permitted capacity I also mentioned the installed capacity. Any timeline horizon when these capacities commissioned like I talked of capacity got commissioned in 2022 some of that is work in progress you may not see lot of addition this year because we will have to create infrastructure for us to house the equipments that is work in progress in 2023.

Again Mr. Jain had a question around the new wire enamel project having a capacity equal to the biggest reactor which I sort of talked of with a recent approval for expansion at Ankleshwar when will we see commercial supply from this plant and capex which we have spending for 25000 tons that Mr. Jaydeep Merchant. Like I talked of, we already started that in quarter 4 and it's continuing basis that Mr. Golecha had also question around is that capacity in segment 1 and segment 2 while it is in segment 1 the fact that it releases some of the capacities or equipments for utilisation allows us to be flexible in segment 2 also and there was a specific question around about the same equipments make segment one or segment 2 well depends on the product but sometimes some of the intermediates that are required to make the segment 2 products are derivative of what can be produced in by the equipments so to that extent, there is a capability that we have

Mr. Ramkumar also had a question around exports. Well, it all depends on how things forward. How do we look at that.

So, moving from capacity to possibly lot of questions around Chinese imports or competition and mobility. Are we looking at a share and so Mr. Loonkar had a question around how does the company perceive threats from Chinese imports given that the situation in China is normalizing? There is a possibility of an expanded threat what's happening in China at least demands shifting the focus on export we see that but it is also highly possible that this may impact our customers then it will impact on us if our customer lose volumes to products that are imported from China then that will have a drop in demand in their consumption and that would come back and hit us. So Mr. Upadhyaya you had a question around what are the three priorities for the management. One of it is going to be a sustainable growth. Second is to create the future road map of ELANTAS Beck India limited including manufacturing and quite a few of you had a question around brownfield and green field and possibly and the delay in announcement I would like to assure you that we are on the lookout and the idea is to minimize the time taken between the acquisition to getting all the permissions and inputs and advice of the board we would be in a position to take that call relatively soon and once that is done we will be in a position to update the shareholders. The question around volume decreased by 0.89% Mr. Purkayastha you asked give a segment distinguish. We lost volume around 250 tons between 21 and 22 of that 40 tons was of resins in segment 2 business and 210 tons was in segment 1 business. Decrease in tonnage sold and Mr. Loonkar also had a question around margins shifting what does that mean if the volume is going down, Mr. Purkayastha also, what are the reasons decrease in tonnage sold.

If you look at our results first half of 2022 was very positive in terms of revenue and volume both we saw that impact coming together with on volume side in quarter 2 and that was determined by the factor that came in from the energy efficiency rating that was required by fan industry as we saw lot of our appliances customers specially fan market. They started looking at holding inventory because they had to give the energy efficiency rating to their consumers as we stepped into 2023. That's what deferred couple of times. Certain amount of holdup which made people want to liquidate their stock and as our customers started to liquidate and look at inventory so that they didn't end up with unmarked inventory that's why there was certain amount of decrease in inventory. Secondly some of our key two-wheeler accounts especially once who are doing exports automotive two wheeler segment did show a growth one of the impact if you look at it export side was down by 20% versus 2021 that also



caused some amount of slowness in the automotive for us specific to our company. Third was we had a significant shift in price aided by both mix and the increases that the teams in the company executed for covering the raw material inflation that also meant that certain low volume low value added segments, we did see that our customers were not been able to pay the price and really contribute to the inflation request we had that also resulted in some amount of volume shift for us. Mr. Merchant also had question around 1% fall Mr. Upadhyay you also had that despite the reduction in volume, the EBIDTA and revenue grew at a good pace was it because of a change mix of products, as I addressed this question like I said it's a combination of both.

Which are the segments or customers where we are seeing the maximum traction in business?

So Mr. Upadhyay had this question. So, we retain the traction in the core space having said that, we also saw a greater traction emerging in the electronics segment and e-mobility.

Mr. Purkayastha asked specific question about what the contribution of e-mobility we eye at around 100 million rupees of sale specifically to e-mobility sector. Mr. Jain and Mr. Golecha had a question around what is it that we supply into. Clearly into the motor part but also in terms of battery and thermal interface management some of the areas in which we worked on and Mr. Golecha, there is a TIM that we supply, which goes into thermal interface management for the e-mobility or electronic sector. That's the area where we have seen some amount of growth. So, that grew much faster both in terms of volume and revenue. What we didn't see growing is the construction chemicals. We did see the price increase but the volumes really dent because of inflationary pressures coming in. The price went up but the volume really did not go that high.

Lot of questions around realization and tonnage. So Mr. merchant had a question that we have seen realization has sharply risen the reason for that just to be specific we saw the raw material inflation we had to pass that on we work with the customers and looking at our market position and our relationship with our customers we had to be judicious thankfully the teams of the company worked very well with the customers in terms of covering inflation which helped us in terms of results.

Mr. Jaideep had a question around the pricing of ELANTAS India products has increased by 46% over the last 2 years? Has the company received any unusual benefits due to the covid-led supply chain disruption that could be worse in the near future?

Yes there has been certain supply chain challenges which most players in the market face. Thankfully we are a local and we have been able to shift quite a lot of products and we manufacture quite a lot of products within the country we have been able to leverage that. MR. Golecha had a question around shift in prices 100 to 70 what does that mean.

If there is a price deflation which is happening in our customers would also expect us to pass that on that's something we keep a closed watch.

Mr. Purkayastha also had a question 23% is only on account of increase in revenue during the year was that only on account of price rise of products since there was no increase in volumes. Will there be a cut in some of the product prices during the current year due to some decrease in commodity and freight costs in the current year?

Yes, as a cost depletes our customers given that they have passed on the inflation as much as they would also expect us to pass on the deflation in a judicious manner.

Again Mr. Purkayastha had a question around pricing while there has not been much increasing margins in the insulations business there has been a sharp increase in the margins for the resins business what are the reasons for this divergent trend in margins of the two segments?

Insulation is a core area for us high market share high presence in the market. Ability to work with the customers and take that price we have to be judicious we have to work with them not all of them will be able to pass on all the price increases whereas in the segment 2 which is again electronic e mobility and construction. We see that lower volume higher realization but our ability to participate that value chain is high that's one of the reasons why we are able to work with the customers and as we develop those applications, we have a greater share of that value retained within the business.

Another question, ELANTAS made significant progress in localization over the past decade with current localization rate of 73% how does the company anticipate this percentage changing over the next 3 years?

Nice of you to acknowledge the teams in the company especially our sourcing and material development team and the R and D team work very closely to identify the opportunity wherever they are doing to identify opportunities wherever they are to insulate us and try and localize it as much as possible and this is relatively high number further localization and over the three years would be relatively speculative I would like to assure that the team would continue to focus on and it also depends on how chemical ecosystems on the supply side or upstream if I may call it , develop and there are opportunities around that, we would definitely be more than willing to participate and qualify that and realize benefits of that both for ourselves and for our customers .

Then, there was a question again around tonnage Mr. Dilip Jain. So, how much of this tonnage is dedicated solely by segment 2 so close to roughly out of the 27,000 tons that we managed to sale close to 20% would be dedicated to Segment 2 as I sort of mentioned in the past. So, Purkayastha had a question around Royalty payment distributed over 5 affiliates instead of that it could be paid to one holding company as is the practice in other MNCs. Lot of our agreements are in place with affiliates and the sort of how ALTANA works, each of the affiliates owns its technology so whenever there is a technology sharing or a technology transfer, it is done specifically between those two entities and that's how it sort of needs to be paid to multiple entities rather than consolidated in one holding.

Shifting to NPD or New Product Development, Mr. Himanshu Upadhyay had a question in motor and fans and Government has come out with energy efficiency ratings and what we understand is the motor manufacturers are a big portion of our revenue and what impacts do we see out of tighter regulations of customers on our business. So Mr. Upadhyay I have covered a bit in earlier questions but again to sort of answer this specifically, the efficiency rating is in place over these past several years and there are motors which are rated for efficiency. Our general observation is, higher the efficiency, higher the quality of products or better the specifications that are there an then more value added or value driven products for us so that's a segment for us which is there. The other industry where the energy efficiency really came into the picture was fans and like I said, we saw a slowdown in the second half of 2022. All our customers now are ready with their energy efficiency ratings and we look that to be positive or wait for that to turn positive in this year as the customers then start all the inventories in the supply chain having been exhausted and with the demand shifting . We expect that to be positive in this year. How much positive that only time will tell but that's something that we see as a positive trend for our business. So, Mr. Yogesh Patil had a question around how much revenue is coming from new products in the last 5 years. Over the last 5 years if we look at our revenue from the new products, that are contributing today is close to 15 %to 17% of our revenue . That's typically the mix. We have moved on that, or we have focused in improving that and we have got to a stage where roughly 15% to 17% of our revenues come from products that have been developed in the last five years. Again, some of you picked up on the 14 new products that were developed. Some of them are commercialized. Some of them will get commercialized in some time. Our technical service team and application development team and the sales team works with customers to identify emerging needs and get ready and prepare products that would be anticipatory in nature of where the market is going to go and position ourselves so that we can take some of that value in. In fact, Mr. Golecha had a question around how do we see ourselves with respect to people like Henkel or Dow or Du pont and do



we have a monopoly. Well, no. we do not have a monopoly . Some of these markets are very different and fragmented. We see diverse levels of competition. Some very organized and if we look at each of the organization also that you exemplified in your question, all of them have different skills. All of them are very respectable competitors. All of them have great strengths in certain pockets and some of them are complete basket players . Some of them are some chemistry players. We believe that as ELANTAS Beck, we are formulators and we are solution providers so we are able to offer the right chemistries that are required and some of those products that we develop are also in anticipation and in terms of trying to participate and specify our products so that's how it is . For us, how much revenue is coming from new products I talked off, new product launch in 3 years. As you noted even in the last year we had a healthy pipeline so our idea is to keep that pipeline healthy and it is linked to the market drivers and where we anticipate the market to grow, our customers that they are telling us at areas that they would want to localize and start looking at and then, we need to then balance it across the segment one segment two and depending on the participation and the market place how do we do that.

Mr. Yogesh Patil had a question around any new growth drivers so well, most of you talked of it. Quite a lot is in electronics, some of it is in EV. We see greater participation there and greater ability to win. Mr. Golecha had specific questions around some companies which are assemblers. Lot of times, we are sort of not in a position to name our customers for reasons that we have got into joint development or non-disclosure agreements with them which prohibits us from naming them in public so but we are working with all the major players that are emerging in that market and that's something which will continue .

Mr. Purkayastha had a question from the e-mobility which I sort of answered. Close to Rs. 100 million what we do currently and last year, only in the e-mobility segment . A lot of our e-mobility is focused on the two-wheeler segment, and we anticipate as the four-wheeler grows and more and more localization starts to happen . we will be able to derive more business in that space also.

Mr. Jain had a question, page 19 of our annual report discussed 14 new products which I talked of. This is the next generation in the secondary insulation portfolio . You had asked about the low VOC an there were quite a lot of questions. Mr. Jain you had asked around ability to produce without license, without the explosives license and the rule 129 . I wouldn't be sort of in a position to say yes to that because in my view, you do not manufacture just one product right? You do a basket of products and by that logic, you would have to go for all the certifications and the environmental clearances and the consent to establish and the CTOs for all the products that are required so that's how we visualize it so we go for a brown field or a green field, we will have to because we are not just basing the plant on one product right. So we will have to look at that in the complete sense. But to the low VOC yes, that's a new generation secondary insulation product which we are promoting globally and it is extremely versatile in terms of that application methods and retains excellent insulation profile so we see this as a VOC product so what it means as customers look at more and more greener products and so less solvent based products, we would be in a good position to do that. EV is definitely an are where we are looking at with very bright spot because the customers who want to be in the EV space tend to be more conscious of the products that go in and we see a good traction in that. If the volumes grow significantly and the traction takes place we would always have an opportunity to localize that and that's something that we would be looking.

Mr. Merchant also had a similar question . He had a question around thermal interface material and Mr. Golecha also had that questions whether do we manufacture that. So we manufacture TIM locally. Of course, there are various categories and various chemistries hence where ever we see economies of scale we are making it the others we tend to trade and to start with as it becomes sustainable or business looks sustainable and the we can go into the manufacturing.

In the last 3 years, in the new products launch do we develop locally or do we rely on the technology transfer from parent entity that was a question Mr. Merchant had. We have a significant portion of our products which we develop locally but we also collaborate like we talked of the VOC free secondary insulation product that we sort of take from global affiliate and the 14 new products that we launched here was something that we developed locally .

So on Capex front, the Capex given Mr. Loonkar had a question around opportunities in PLI and Medical devices, mobile manufacturing . What is Company's outlook on capex opportunities in India for next 3 to 5 years. Some of that I talked of but like I said, we are focused on electronics segment it involves a combination of synthesis and mixing & blending . So the Company is in a position to do that and like I was addressing Mr. Jain's question , when we look at some of the installed capacity used in one segment, it frees up some equipment in another and it allows us to be more flexible and productive. That's the reason why you do not see a lot of nodes around the segment 2 or the electronics segment. So there are possibilities and with the capacities that we have in place, the next 2 -3 years we are in a good phase and when we are looking at the brown field growth in Ankleshwar and spreading it over into next 5 phases, phase -1 of that is under execution and as we get to phase 2 and 3, we would be starting to look at the electronic demand that we see and place equipment's appropriately.

Mr. Purkayastha had questions around notes indicate working capital was to be completed in 2023 and as on 31<sup>st</sup> December 5 Cr of working capital was completed. How much of this has been capitalized during the current year so far and then another question around note 3 b that 2023 number working capital WIP is scheduled to be completed. Total figure scheduled for completion in 2023 is 8 Cr. What happens to balance 4 from the 12 shown as capital WIP on 31 December 2022.

So as per the process of capitalization, all assets acquired are first shown as Capital WIP and based on completion status, it is transferred to the respective blocks . Capex shown in a cash flow is a consolidated figure so capital advance. Thus can not be directly traced with note 3. 5.39 is entirely a Capital for additional capacity for wire enamel at Ankleshwar and with respect to note 3(b), details mentioned in note 3(b) represent capital work in progress whose completion is overdue and has exceeded the cost compared to original plan. Remaining capital WIP does not fall into these categories hence we are not disclosing that .

Mr. Upadhyay had a question in terms of the capex that we visualize, as we got the consent to operate at Ankleshwar, we are looking at 5 phased investment plan and first phase is already in place of upgrading facilities. Like I said, it's a 40-year-old asset so improving the site infrastructure so that we can do the appropriate production and lot of questions around the green field and why we haven't done it and why we haven't announced . After a first experience, we revisited the whole concept about how to go about greenfield and while we are still in the process of looking at it, some of you mentioned a few sites and few geographies . Those are areas of interest for us. But overall idea is what we get and we try and avoid getting into the huge delay which comes because of the regulatory requirements for environmental clearance and public hearings . The management has a few ideas around it which it will take the inputs and advice from the Board and will complete that in a period of time.

Mr. Purkayashtha you had a question around the insurance claim because of the fire. The value of the claim that we had was below the deductible amount hence we couldn't get that money from the insurance . Mr. Loonkar had a question around the EBITDA , do you think its sustainable. Our focus is to try and keep the business as sustainable and as healthy as we can . however, looking at the market forces and the market presence and the market share and the whole value chain, we will have to be judicious around it but it will always be our attempt to add value and derive value for the products that we sell. So Mr. Upadhyay you also had the question that can it happen that the place vacated by us could be a challenge to us in the long time frame. So with the position the Company has and with the market share that it has, its always a challenge and it has always been a challenge in the past also. It is possible . having said that the management of your Company does its best to keep itself abreast of

the developments in the market and react appropriately to participate in the value chain that it can do the best and all I would say is , yes the results speak for themselves and in 2022 and hopefully in 2023 also as we look to maintaining that . But looking at the market shares its always a high possibility and it can be local competition it can be overseas competition but that's something that's a situation that will continue to be there for the time.

Mr. Ramkumar you had a question around product mix and how is that value added is one third . That continues and like you would have picked up from what I said over the course of this discussion. That's something that we are focused on keeping that value added products at one third or beyond and as a few of you also commented when you saw the results between the shift between volume to the value and the realisations that on account of the fact that there is a focus on a value add. What is classified as a value add is like I talked of as the energy efficiency rating goes the chemistries that are involved and the products that are required in terms of delivering those specifications, tend to be more. So anything that needs to confirm to its specification and that requires to comply with certain regulations or passing certain specifications, that is what we see as value add and those are areas that we sort of focus on. Clearly when you talk of e-mobility or electronics, by default, the products tend to be or expected to perform at a higher specification that's one reason why when you look at segment 2 that typically tends to be a higher value add. You talked of sustainability of margins with respect to oil prices , I think I have sort of addressed that.

Capacity additions we talked of quite a bit . Mr. Patil you had question around semi-conducted capacity , more than semiconductors, it's the application that comes out once the semiconductor is in place. So the way we see it more semi conductors if they are manufactured in India then they would be going into the components we would see more component manufacturers coming in and that's where our play comes in. Insulating them, protecting them or encapsulating them or potting them .

Ms. Lekha Shah asked in terms of the number of employees. We have around 186 employees as of December 2022. 10% of that are women.

Mr. Aspi had few questions . the hydrogen combustion engine and Toyota how does that impact like I said when it comes to e-mobility, our position is in battery management , our position is in electronic component management around insulation , encapsulation and potting . More four wheelers start to take traction in India, we would be in a good position to derive value and benefit from that.

There was a question from Mr. Loonkar and few others around analyst and presentation calls, we will note that and hopefully we will try and put some process towards trying to address that.

I will now request Chairman, Mr. Talwar to take over from this point forward.

**Mr. Talwar:** Thank you Mr. Srikumar.

“Now I authorize Mr. Abhijit Tikekar, Company Secretary to conduct the voting procedure and conclude the Meeting. The e-voting facility will remain enabled for the next 15 minutes i.e. upto 12.20 P.M. so the Members who have not casted their vote already, can do so. The results would be announced on or before 11 May 2023 and same will be intimated to the Bombay Stock Exchange and uploaded on the NSDL Website. With your consent, I and other Board Members would like to leave the Meeting.

I wish all the Members, a very healthy and safe future.

Thank you.

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