

SUMITOMO CHEMICAL INDIA LIMITED
TRANSCRIPT OF THE PROCEEDINGS OF THE TWENTY-THIRD ANNUAL GENERAL
MEETING HELD ON 28TH July, 2023

– **Moderator:**

– Ma'am, you may start the proceedings.

– **Mrs. Deepika Trivedi - Company Secretary, Sumitomo Chemical India Ltd.:**

– Chairman Sir, it is already 2.30 and the quorum for the meeting is present. So, in a minute we can start the meeting.

– **Dr. Mukul G. Asher- Chairman, Sumitomo Chemical India Ltd.:**

– Ladies and gentlemen, it is now past 2:30 p.m. and the necessary quorum being present, I call the meeting to order. The representatives of the Statutory Auditors and the Secretarial Auditors are present in this meeting. The notice of the meeting has already been circulated and may I, with your kind permission, take it as read?

– **A Shareholder:**

– Yes Sir.

– **Dr. Mukul G. Asher- Chairman, Sumitomo Chemical India Ltd.:**

– Okay, thank you.

– The members' speakers have been muted. In the Question-Answer session, name of the speaker member will be called out. His/her speaker will be unmuted and the speaker will be able to speak.

– The Register of Directors and Key Managerial Personnel and their shareholding kept under Section 170 of the Companies Act, 2013, the Register of Contracts and Arrangements kept under Section 189 of the Companies Act, 2013, the Auditors Reports and the Secretarial Audit Report are laid on the table. They are available on the Company's website www.sumichem.co.in for inspection by the members during this meeting.

– As this meeting is being held by means of video conferencing, the facility for appointing proxy has not been given to the members and hence Register of Proxy is not laid on the table.

- There are no qualifications, observations, comments or remarks in the Auditors Reports and the Secretarial Audit Report.
- I have inquired about the efforts made by the Company and have satisfied myself that the Company has made all efforts feasible under the circumstances to enable the members to participate in this meeting and vote on the items being considered in this meeting.
- E-voting process for voting in this meeting has already commenced. The members attending this meeting who have not availed remote E-voting facility, are eligible to vote on the resolutions through E-voting process. I request such members to cast their votes.
- May I now move to the Chairman's speech?
- Welcome. I would like to warmly welcome you to the 23rd Annual General Meeting of the Company. Please, permit me to introduce my colleagues on the Board and other friends present in this meeting. You have met all of them at the previous AGM.
- Mr. B.V. Bhargava, Director, is unable to attend meeting today as he is traveling.
- The Directors and management personnel who are present are –
 - Mr. Chetan Shah, Managing Director & Chairman of CSR Committee.
 - Mr. Sushil Marfatia, Executive Director.
 - Dr. Suresh Ramachandran, who has been appointed Whole-time Director and Chief Commercial Officer effective 1st June, 2023.
 - Mr. Ninad D Gupte.
 - Mr. Tadashi Katayama.
 - Mrs. Preeti Mehta, Chairperson of Nomination and Remuneration Committee and also representing Audit Committee in this meeting.
 - Mr. Masanori Uzawa.
- Others who are present at this AGM are –
 - Mrs. Deepika Trivedi, Company Secretary.
 - Mr. Kunal Mittal, Senior Vice President- PCO.

- Mr. Anil Nawal, Chief Financial Officer.
 - Mr. Jayesh Gandhi, Partner of SRBC & CO LLP, Auditors.
- Having introduced the team, let me continue with my speech.
- The year 2022-23 in perspective: 2022-23 was the first normal year of operations after two Covid-19 pandemic impacted years. The year saw uncertainties caused by Russia-Ukraine conflict and China Covid situation. The year also saw erratic weather conditions, volatility in raw materials and intermediates prices as also international supply chain logistics disruptions and cargo shipment cost increases.
- In spite of these challenges, the Company reported good financial performance due to the competent and proactive management and outstanding contribution by the Company's dedicated employees, right from the shopfloor workers to the sales team including senior management.
- During FY 2022-23, the sales turnover increased from ₹ 30,314 million in FY 2021-22 to ₹ 34,733 million. The domestic sales turnover increased from ₹ 23,654 million in FY 2021-22 to ₹ 26,069 million while the export turnover sharply increased from ₹ 6660 million to ₹ 8664 million. During FY 2022-23, the PBT (Profit Before Tax) increased from ₹ 5858 million in FY 2021-22 to ₹ 6554 million and the Profit After Tax from ₹ 4337 million in FY 2021-22 to ₹ 5034 million.
- The Company is continuing its journey from consolidation phase to accelerated, growth oriented phase which will require capital expenditure and investments. The Company is focusing on enriching product basket, introducing and developing new brands and enhancing product pipeline for continued introduction of new products. The Company strives to increase exports by exploring new markets and penetrating more deeply the existing ones. In addition to the regular capital expenditure budget, the Company has planned to incur additional project-specific capital expenditure to the extent of ₹ 1200 million by the end of the current year over two 'Make in India' projects to develop several proprietary products for our parent company and our global affiliates. This is over and above the normal and routine capital expenditure which we have been incurring or committing ourselves to for our existing products and businesses. Both these projects are progressing as per the expected timelines. One of the projects, which is at Bhavnagar facility for one important molecule, has already commenced commercial operations in the last financial year. The second project, which is at Tarapur, which is a multiple products plant for mainly our EHD products, is expected to start commercial production in the second quarter of the FY 2023-24. Both these projects are being implemented in our current facilities and the operating margins from these projects are expected to be in line with our existing margin range.

- The Company has been an early adopter of digital tools in the rural market and used this strategically to reach out to the right customers at the right time in a cost effective way. It works on the all-inclusive Phygital strategy, which is physical and digital strategy, which has been instrumental in increasing digital adoption among the stakeholders. SCILs digital launch of new products, Sumi Blue Diamond, Pyclome and Promalin is quintessential of its Phygital approach and is known for creating a buzz in the market by driving more than 82,000 views in a single day.
- Sumitomo Connect, an in-house developed application of SCIL, records the physical activities of the field team and gives real time information on the farmer connect. Its multiple features like demand generation activity tracking, farmer data upload in multiple formats, product demonstration record and one-click query resolution have empowered the field team and equips them digitally.
- The Company believes in empowering channel partners by helping them to improve their digital visibility. Its multiple digital initiatives through various platforms resulted in more than 20 million engagements in the year 2022-23.
- The Company is looking forward to achieving higher milestones in the coming years.
- Keeping in view the global, domestic and Company-related factors, the Board, after considerable deliberations, has come to the conclusion that for FY 2022-23 a prudent course would be to recommend a dividend of ₹ 1.20 per share as against the dividend of ₹ 1.00 in the previous year on 499.15 million shares. This is a 20% increase over the previous year.
- The year 2023-24: You are aware that monsoon is the single largest factor that determines performance of an agrochemicals company. Monsoon arrived much late this season. Moreover, even as the monsoon progresses, the risk of *El Nino* continues to hang. Met agencies and weather experts hold differing views about *El Nino*'s overall impact on the rainfall this year. Rainfall so far has been erratic. Some areas received normal rains whereas some others large excesses and quite a few are rain deficient. There has been continuous rain from July, 2023 in many parts of the country. However, some parts are still rain deficit. One will have to wait and watch for some more time to ascertain the overall rains and its impact on farming and on the country's economy.
- The Company's Board will be meeting on 31st July, 2023 to consider and approve the financial results for the first quarter of the current FY 2023-24.
- As most of you are aware, the Company has been regularly updating shareholders by means of Investor Presentation and Earnings Calls. These provide useful information and updates to the shareholders on the Company's financial performance.

- In conclusion, I would like to express my deep appreciation to all the shareholders in supporting the Company. The Company and the Directors are thankful to you for attending this meeting. I request continued support by the shareholders to the Company and its management in their endeavor to grow business and enhance shareholder value. I'm confident that the Company and its management will continue to receive support of the shareholders. I also take this opportunity to thank the Company's bankers, business associates, customers, suppliers, various government agencies, financial and other institutions for extending their professional support to the Company. May I invite you to join me in thanking all my colleagues on the Board, the management team, other staff and the workforce at various production sites, sales locations and offices who have strived as a harmonious team to help enhance the Company's resilience and competence. Thank you very much.
- Let me now enumerate the eight resolutions proposed to be taken up for voting in this meeting through E-voting process.
 1. The First Resolution is an Ordinary Resolution for adopting the Financial Statements and Reports of the Board and the Auditors.
 2. The Second Resolution is an Ordinary Resolution for declaration of dividend on equity shares. The Board has recommended dividend of ₹ 1.20 per share.
 3. The Third Resolution is an Ordinary Resolution for approving reappointment of Mr. Masanori Uzawa as Director. Mr. Uzawa retires by rotation and being eligible offers himself for reappointment.
 4. The Fourth Resolution is a Special Resolution for approving appointment of Dr. Suresh Ramachandran as Whole Time Director with effect from 1st June, 2023.
 5. The Fifth Resolution is a Special Resolution for approving reappointment of Mr. Chetan Shah as Managing Director with effect from 1st September, 2023.
 6. The Sixth Resolution is a Special Resolution for approving reappointment of Mr. Sushil Marfatia as Executive Director with effect from 1st September, 2023.
 7. The Seventh Resolution is an Ordinary Resolution for approving transactions entered into and proposed to be entered into with Sumitomo Chemical Company, Limited, a related party, during the FY 2023-24.
 8. The Eighth and the last Resolution is an Ordinary Resolution for ratification of the remuneration of M/s GMVP & Associates LLP, the Cost Auditors.
- I now invite the members to raise queries, give their comments or ask questions, if any. I request Mrs. Deepika Trivedi to facilitate this process.

- **Ms. Deepika Trivedi – Company Secretary, Sumitomo Chemical India Limited:**
- Moderator Sir Mr. Rajiv Ranjan. We will now begin the Question-and-Answer session. Please note that each speaker will be allotted a time slot of 3 minutes, which all the speakers are requested to follow. We will be noting questions of all the speakers and the same will be answered after all the speakers have completed their speeches.
- Moderator Sir, our first speaker is Mr. Sharadkumar Jivraj Shah, I request you to kindly unmute him.
- **Moderator:**
- Hello.
- **Mr. Sharadkumar Jivraj Shah - Shareholder:**
- Hello.
- **Moderator:**
- Hello Sir. You may ask your question.
- **Mr. Sharadkumar Jivraj Shah - Shareholder:**
- Yes Sir. Thank you very much. I have become the first shareholder because today morning I clicked on the link. And because I have clicked on that link, I have become a management team fellow. So, the other sir was asking me to put my name instead of management team, so I said I cannot do that. So now Link Intime has sent another link so that I could join the meeting. I am really thankful for that. And like what the Chairman said that this particular year is a very normal year after Covid, Ukraine, Russia, China, after all these issues. And my observation is that this particular year, standalone and consolidated revenue is much higher and better than all previous years. And this kind of things I need not speak because everything is fine. And earlier, I remember, whenever you were conducting meetings somewhere in Goregaon or Kandivali. Even those times I have been attending the meetings physically. Thank you very much for giving me the opportunity to speak and keeping in contact and asking for Link Intime to give such a good service to a shareholder. Thank you very much.
- **Moderator:**
- Thank you, Sir. Our next speaker for the event is Madam Lekha Shah.
- **Ms. Lekha Shah - Shareholder:**

- Hello. Can you hear me Sir.
- **Moderator:**
- Yes Ma'am.
- **Ms. Lekha Shah - Shareholder:**
- Thank you, Sir. Respected Chairman Sir, Board of Directors and my fellow members, good afternoon to all of you. I am Lekha Shah from Mumbai. First of all, I am thankful to the Company Secretary Mrs. Deepika Ma'am for extending very good investor services and also for sending the AGM notice well in time, which is full of knowledge, facts and figures in place. Thank you, Chairman Sir, for explaining to us well about the Company. Congratulations for the excellent work Sir. I pray to God that He shower His blessing upon you. Thanks for the dividend, Sir. I would like to appreciate the Company Secretary for her effort in making things so much easy for us to comprehend in the Company Annual Report. Still, I would like to ask a few questions for my knowledge. First one being – What is the total number of employees and how many women employees are working in our Company? Chairman Sir, I hope the Company will continue with the video conference meeting in future. So, I strongly support all the resolutions for today's meeting and my best wishes are always with the Company and its prosperity. Since Link Intime allowed us to log in without any problem, I would like to thank them for their services especially Jayeshbhai, Ashishbhai, Preeti Ma'am and Prashant Sir. Thank you so much Sir.
- **Moderator:**
- Thank you, Ma'am. Our next speaker for the event is Mr. Bimal Kumar Agarwal. Mr. Bimal kindly unmute yourself and speak. The next speaker for the event is.....
- **Mr. Bimal Kumar Agarwal - Shareholder:**
- Hello, Hello. Can you hear me?
- **Moderator:**
- Yes, yes.
- **Mr. Bimal Kumar Agarwal - Shareholder:**
- Hello. Hello.
- **Moderator:**

- Sir, you are audible. Kindly ask your question.
- **Mr. Bimal Kumar Agarwal - Shareholder:**
- Good afternoon to everyone. First of all, I would like to thank the Company Secretary and the team. And also, the management, staff of the Company and the shareholders. Again, I thank the Company Secretary for sending me the physical copy of the Annual Report. As the Chairman has already explained everything in his opening speech, I have nothing to ask. But just one question from my end is what your R & D expenses are? That's all from my end. Thank you very much.
- **Moderator:**
- Thank you, Sir. Our next speaker for the event is Mr. Yusuf Rangwala.
- **Mr. Yusuf Rangwala - Shareholder:**
- Respected Chairman, very good afternoon, Sir. I am speaking from Mumbai. Can you hear me clearly.
- **Moderator:**
- Yes, you are audible Sir.
- **Mr. Yusuf Rangwala - Shareholder:**
- Very happy with this 23rd Annual General Meeting. This Company was earlier a part of the Shroff group but now it is separate. It is ideal. Our company is a (inaudible), how many will be helping the poor people. What are the CSR activities? This is my first question. Question No 2 is the dividend that you have given that is really good, very handsome and good returns. Our market rates are pretty good now, so that is good. So, we got it as a mini bonus. A mini bonus from the group. It's been a long time, three years have gone by and we have not been having physical meetings. Earlier we used to meet at KC College. I remember meeting at KC College. Now next year I request you to have a physical meeting Sir. This is good and I thank the Link Intime team especially Prashant Sir and Pravina Madam. They had called me today to confirm if I am joining the meeting or not. This shows how excellent their services are and we are very lucky to have them. Sir, I am having Karvy also. But their services are very poor, but on the contrary Link services are far better. We have never had any issues with Link Intime because they are no. 1 service providers at present. Their staff is also very good. Sir, what is the total number of staff in the factory currently? Sir, if possible, we have a factory in Kutch, it's been a long time, I think almost 7 years back we had been to this factory in Kutch. It is my earnest request Sir, that after 2 years we will be completing 25

years and celebrating the silver jubilee, so please arrange for a visit for us so that we get to be a part of the celebration too. What else to say, our Company is so good that I have no questions to ask. This is like a family company. Especially Deepika Madam, she is a very hardworking Company Secretary. Today even she had called me to confirm my attendance. This shows how much you care for the shareholders. We are very lucky, and I am proud of my Company. Our portfolio is really booming because of you Sir. Currently our rates are close to ₹ 400 and you have given me 340 shares. I am so happy that I cannot find words to express my gratitude. All I can say is a small poem for you, "*Phoolo ki Khusboo, mahekte rahe kaliyon ki bahar*". You will have my complete support for the forthcoming resolutions, and I wish that you never have any issues in life ahead. Let all the troubles and sorrows stay away from you and that you always carry that smile on your face forever. Sir, if possible, arrange for a get-together with you in October or November. I wish to meet you in your office. Thank you very much Sir. May God bless our Company. Nothing more, Sir. Jai Hind.

- **Moderator:**

- Thank you, Sir. Our next speaker for the event is Madam Prakashini Shenoy.

- **Ms. Prakashini G. Shenoy - Shareholder:**

- Hello. Can you hear me, Sir.

- **Moderator:**

- Yes Ma'am, you are audible.

- **Ms. Prakashini G. Shenoy - Shareholder:**

- I am Prakashini Ganesh Shenoy from Mumbai. Respected Honorable Chairman, other dignitaries from the board and my fellow shareholders, good afternoon to all of you. I received the annual report well in time, which is self-explanatory, contains all the information as per the corporate governance. I thank Deepika Madam and her team for the same. I should not forget to thank Link Intime for giving me the link and reminding me of today's meeting without which I wouldn't have been in a position to speak. So, thank you once again Link Intime. Chairman Sir, please continue with Link Intime as they are one of the best registrars in Bombay. The Chairman has given a beautiful picture regarding the Company and its working in all parameters such as sales, domestic sales, expenditure, PBT, PAT etc. etc. Sir, now I have a few questions - Who are our main competitors in the business? What results can we expect in the next quarter? How are we planning for the digital future? What initiative has the Company taken to reduce carbon footprint and water conservation? What is the CapEx program? With rising prices of raw materials what impact it would have on our profitability? Last but not the least, Chairman Sir, my personal request as already requested by Ms. Lekha Shah, I once

again request you to please continue with VC. I wish the Company good luck for a bright future and pray to God that the profit of the Company shall reach the peak in due course. I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you, Sir.

- **Moderator:**

- Thank you, Ma'am. Our next speaker for the event is Madam Homayun Pouredehi.

- **Ms. Homayun Pouredehi - Shareholder:**

- Hello Sir. Can you hear me.

- **Moderator:**

- Yes, Ma'am you are audible.

- **Ms. Homayun Pouredehi - Shareholder:**

- Yeah. This is one of my very good companies, because we have associated even before Sumitomo came, as you'll know, and everybody knows. I just wanted to ask certain questions: What is your latest research in Pesticides? I would like to know in which pesticides you are doing research? I would like to know because there were certain pesticides which certain companies had closed down. I will give you one example, like there was Tik 20 for bedbugs, very effective. It was closed down by the company which was making it and there were a lot of problems because no other drug in the market was as effective as that. So, I would like to know. And have you finally marketed your bedbug products, which are very effective, which were newly introduced. I would just like to know. And other products which you have marketed, which you done research and those which have come they are all very... I call them very essential items, because without them one cannot live. I wanted to know. I would also like to give credit to your secretarial team. You see with this online AGM's last minute technical issues arise with the result we may not be able to attend the speaker's portal unless your secretarial team and registrar takes steps. So, your secretarial team did take steps to resolve the last-minute technical issues that I faced. Mr. Desai immediately responded and spoke to the Link Intime and resolved. So, I agree with the previous shareholders that your Link Intime is very effective and prompt in taking action. Please continue to have them. And for a plant visit even I would be interested. I have been to your plant in Kutch in the past. I heard your speech in detail, the Chairman's speech, and I am very happy about it. Our Company is growing and very soon it will be on top, successful with all its expansion plan which we all are supporting. In fact, we approve very much of it. We wish our Company all the best and you, our Managing Director, all the best along with your team. Goodbye.

- **Moderator:**
- Thank you, Ma'am. Our next speaker for the event is Mr. Vinay Vishnu Bhide.
- **Mr. Vinay Vishnu Bhide - Shareholder:**
- Hello. Are you able to hear me?
- **Moderator:**
- Yes. You are audible Sir.
- **Mr. Vinay Vishnu Bhide - Shareholder:**
- Fine. I hope the video will also come on. Let me start.
- **Moderator:**
- Yeah. You have to start your video. You may ask your questions please.
- **Mr. Vinay Vishnu Bhide - Shareholder:**
- Hello.
- **Moderator:**
- Yes. Kindly ask your question.
- **Mr. Vinay Vishnu Bhide - Shareholder:**
- Fine. It asked me now to rejoin. Fine, let me start. Chairman Dr. Mukul Asher, Managing Director Mr. Chetan Shah, other Directors present at today's AGM, company executives and shareholder friends. My name is Vinay Bhide. I am long term shareholder and well-wisher of the Company. I am speaking from my residence in Mumbai. Compliments for turning out yet another year of steady growth in both revenues and profits. Thanks for the higher dividend recommended. It is also encouraging to note the export of branded revenue has gone up from 24% to 30% of revenue. I consider this as a very encouraging sign in terms of our Company's brand building. I have gone through the detailed annual report that our Company has prepared, and I am extremely pleased about that. I have listed out a few questions and that is only for a better understanding of the Company's business both present as well as future. Questions are as follows – first question – What is the percentagewise break up of household insecticides, agricultural pesticides, public health insecticides and animal nutrition products of the total turnover of our Company for the financial year 2022–23. That was question no. 1. For question no. 2, I would

request you to refer to a section where we are talking about the phygital transformation of our Company. One part that attracted my attention is the campaign that we have launched for various initiatives including that for mango farmers. Because my hometown is from Ratnagiri, I was naturally attracted to that particular item. So, I would like to know what was the outcome of the campaign that we launched for mango farmers and what was the response from farmers both in Maharashtra and Gujarat as well as other places in India? That is question no. 1. And what are the specific products that we are launching for the mango crop, is what I would like to know and understand better. Otherwise, I feel we are doing very well despite the situation. I would also like to understand from you as to what you assess to be the current situation in terms of input cost of agrochemicals and the related costs that go into our products and the end prices that we charge for both our branded products as well as the bulk products. Otherwise, we are doing an excellent job. There is no need to ask any questions, it is only an opportunity for us to connect with the senior management. So, I will close with best wishes to all of you, both the Board of Directors as well as employees. And I thank you for giving me this opportunity to speak. I must not forget that our secretarial team of Deepika Madam and her team as well as Mr. Rajiv Ranjan from the Link Intime side and his team have done an excellent job of ensuring that we have a smooth meeting. They also provided us with timely speaker sequence numbers. I compliment them for their hard-working efforts. I wish them also all the best. Thank you so much Sir.

- **Moderator:**

- Thank you, sir. Our next speaker for the event is Mr. Shailesh Mahadevia. Mr. Shailesh you may ask your question now.

- **Mr. Shailesh Mahadevia - Shareholder:**

- I want to put my screen on. Can you hear me?

- **Moderator:**

- Sir, you are audible.

- **Mr. Shailesh Mahadevia - Shareholder:**

- Yeah, I want to put my screen on so that you can see me as well.

- **Moderator:**

- Sir, you have to accept my request. I am trying to promote you to the panel screen.

- **Mr. Shailesh Mahadevia - Shareholder:**

- Yes. Joined panel - it's here. I am doing that. Hello.
- **Moderator:**
- Yeah.
- **Mr. Shailesh Mahadevia - Shareholder:**
Please promote me. Have you done?
- **Moderator:**
- You have to accept the request. Have you....on your screen you have to accept.
- **Mr. Shailesh Mahadevia - Shareholder:**
- Yeah I have accepted.
- **Moderator:**
Okay.
- **Mr. Shailesh Mahadevia - Shareholder:**
- Now.
- **Moderator:**
- Just a minute Sir.
- **Mr. Shailesh Mahadevia - Shareholder:**
- Hello. I have already clicked. Hello.
- **Moderator:**
- Due to some technical issue, I am not able to promote you to the panel screen.
- **Mr. Shailesh Mahadevia - Shareholder:**
- Why?
- **Moderator:**

- It is due to a system issue. So, I am not getting control of your device to promote you to panel.
- **Mr. Shailesh Mahadevia - Shareholder:**
- Once a year we get the opportunity. Anyways the Chairman and the others will be able to hear me.
- **Moderator:**
- Yes Sir.
- **Mr. Shailesh Mahadevia - Shareholder:**
- May I start.
- **Moderator:**
- Yeah please.
- **Mr. Shailesh Mahadevia - Shareholder:**
- Respected Chairman Shri Mukul Asher, Managing Director Mr. Chetan Shah who is visible on the screen in front of you and me. Unfortunately due to some technical reason I am not visible to all of you. But I am hale and hearty and happy to join you for this particular meeting. Sir, firstly let me appreciate the excellent work done by the Company and the entire management team in achieving very satisfactory results in spite critical conditions. Sir, this work has been well reported in the annual report, a physical copy of which is also made available on my request. And it gives excellent data about your working. It is transparent, accountable and it is also sustainable. So, Congratulations to all the people concerned. Sir, I would also like to appreciate the work of the secretarial department who have been good enough to put me in touch with the people concerned so that I can participate in the meeting. I also include Mr. Pravin Desai who was also helpful for the purpose. Sir, now with a view to increase my understanding and appreciation of the work done by the Company I wish to put some questions. Sir, my first question is that activated ingredients play a very important role in our business. Today in the Chairman's speech he has spoken about two of them – one already developed at our Tarapore plant and one more in Bhavnagar plant. And one has already started working and the other will start shortly. Sir, these are two activated ingredients being developed by us which you had indicated last year. What I would like to know is, in all, how many active ingredients we are using in the operation of our Company? With how many such parties we have joined as collaborators so we can jointly use that particular molecule? And how many we have received from our Japanese collaborators? Sir, my next question is that the Government of India is giving various encouraging

facilities so that the business can be promoted, and you have also appreciated in your report. Sir, what I would like to know is whether we are taking any advantage under the PLI scheme, whether we fall within the scheme and whether our proposal has been given and approved? Sir, my next question is regarding the litigation which was going on regarding the use of Glyphosate, a broad-spectrum weedicide and the hearing was on I believe 23rd July or something, whether the court has taken any decision on this subject? Sir, my next question and a suggestion is that we are spending only a very small amount of 0.40% of our turnover for R & D purposes. Sir, my suggestion is that in view of our huge turnover and such a large expansion program we should have a latest R & D center, a cutting-edge center which can provide latest equipment, latest cutting edge infrastructure so that we can do synthesis laboratories, development of complex molecules, analytical laboratories, formulation development and which can all help in registration and technology transfer. This also helps us in process safety and in bio efficiency. Sir, yesterday only we had a meeting of Astec, one of the companies of Godrej group. It's a very small company with only about 640 crores of turnover. But they have spent about 150 crores in establishing the latest R & D center in the country. I think Sir, our Company needs, deserves and will be helpful if we can have such latest laboratory and the Board may give due consideration to this suggestion. Sir, then my next question is that the current year has been declared as the year of millets. Millets have several advantages which are already known and particularly the CSR work that we are doing which is usually in the field of education or in the field of health. Sir, growth of millets and its spread among the farmers with our contacts can help in environment, employment, food security and health. Sir, my suggestion is that the Board should consider how to promote millets amongst our farmers so that it solves all these four problems. Sir, I also request you to continue meeting by VC - virtual meeting - because it helps a person like me at the age of 84 plus to participate in the meeting which I would not have been able to do, even if the meeting were to be held in Mumbai. Sir, with this, my last question is regarding the Rupee-Yen movement throughout the year. We are normally familiar with the Dollar-Rupee movement and with the Euro-Rupee movement. Rupee is becoming stronger and stronger and it is likely to become stronger even in the current year and the next year. And the actual inflation which we were providing in such an exchange rate perhaps will be eliminated over a period of time if India's foreign exchange position on trading account is improved still further. Sir, can you give us some idea how Rupee-Yen movement is likely to take place in the current year? Sir, with this I wish you all a very happy, peaceful, progressive year 23-24 and I look forward for the meeting latest by next year. Namaste to all of you. Thank you, sir.

- **Moderator:**

- Thank you, sir. With this we come to an end of the question session. I now request Mr. Chetan sir, managing director to address the shareholder comments and queries, over to you sir.

- **Mr. Chetan Shah – Managing Director, Sumitomo Chemical India Ltd.:**

- Thank you very much. First of all, at the very outset, I would like to thank all the speakers from the bottom of my heart. Mr. Sharadkumar Shah, Ms. Lekha Shah, Mr. Bimal Kumar, Mr. Rangwala, Ms. Shenoy, Ms. Pouredahi, Mr. Vinay Bhide and Shaileshbhai Mahadevia. I earnestly thank you for your kind words and I will surely pass on your kind words to my colleagues, my people, my staff - about what you have said. Thank you very much once again.
- On certain questions, I will try to answer as accurately as possible. I think the first question was from Lekha Shah that what is the total number of employees of the Company and what is the women percentage of employees in the Company. So, before answering or before giving this data, I must clarify that we are agrochemical manufacturing company and large part of our employees are at our plants and by law or by Factories Act, women employees are not allowed to be employed in the manufacturing industry. So, if I remove that part of employees, we have 354 employees other than in the plant and out of which 52 are women employees which constitute around 15% of the employees. But very heartening to note that in our finance department, there the women percentage is as high as 30% and in our export logistics also it is as high as 30%. So, that is what percentage for men and women. And the full employee strength has been given also in the balance sheet. We have a total of 1355 employees, the permanent workers are 287 and the non-permanent employees are 510. That is our total strength of the Company.
- R&D expenses, Mr. Bimal Kumar asked question - we have 134 million Rupees in the R&D expenditure this year. Which is quite, if you will see the CapEx activities, it is quite matching with that. And we must also recognize that we have a very, very highly qualified team in R&D. I think, we have 10 plus PhDs and the total strength of our R&D team is about 70. So, that is for what R&D expenses is concerned.
- CSR activity, Mr. Rangwala asked. I believe we have given very detailed information in the balance sheet. But for the benefit of all I'll repeat it over here. It is written on page no 103-104. We spent around 10 crore Rupees on CSR and we spent this amount in and around our plants in a majority way, but we don't restrict ourselves only to the plants, we also do CSR activities wherever it is deserving. So, you will find even in West Bengal we are supporting one activity and then in Gujarat and Maharashtra. We also develop or adopt villages which are not nearby our factories. And see the total benefit of CSR activities for education for the year 2022- 23, almost 13,885 people benefited. In terms of health, human health 30,000 people benefited, 57,000 animals benefited because of our activities. About the pediatric heart surgery which we take very seriously as a CSR activity, almost 191 children benefited out of that. Rural development - 10,000 plus people benefitted. Women empowerment - 100 plus women benefited. And lot of water conservation, flora and fauna development, etc. - those activities are also going on. So, these are basically our CSR activities and we will follow this structure in future as well.

- Mr. Rangwala - you asked about physical meeting, but I hope that you would have heard Mr. Mahadevia who requested for online meeting. So, as we have done, you know, we have coined the word phygital which is a mix of physical and digital; let us see if we can work out something where we can have physical meeting as well as online meeting together. So, we'll come back to you on that.
- Total staff - I have already done, I mean I have given answer earlier. Ms. Shenoy asked about main competitors. Oh my god!, the list madam is very, very long. There is a lot of competition in our industry. So, let me explain you that we have one competition which is from multinational companies like Bayer, Syngenta, BASF, etc. Then the next level of competition or similar level of competition would be from some large Indian companies like UPL, Bharat, Pesticides India, etc., etc. Then, there is a third level of competition where a lot of unorganized or small companies also make the same formulations or similar formulations and enter the market. So, competition is plenty, we have to keep our head above that and we have to continue to give good results to the shareholders.
- We are doing lot of things for carbon footprint reduction and as a matter of fact, I think we have got a very clear target from our parent company Sumitomo Japan to reduce the carbon footprint to a certain level by 2030 and then the real reduction for which guidance is given to us is by 2030. So, we are making lot of activities and we have also given on page 101 of our balance sheet about this carbon neutrality and how we are dealing with it. So, I would earnestly request you to go through that.
- And your next question was our rising raw material prices. Yes, the raw material prices have gone up last year to another level. However, as fast it had gone up, it also started coming down all of a sudden, from January'23 onwards, and that trend kept on right up to the month of June. We are seeing stability in the month of July, but certain molecules and certain raw material prices we are seeing now inching up. So that's it. But you know, we price our finished goods in line with our cost. So, as far as the profitability is concerned, it is fine.
- You asked the question also about digital transformation, we have given on page 16 of our balance sheet, a very detailed note on our digital initiatives. I would request you to go through that. And the only thing I can add over here is that our direction in this regards is going to be more and more intense. So, we are going to continue to have these digital activities in a very strong manner.
- You asked about research on pesticides. Now there are many research and we depend on this research of new molecules from our parent company in Japan. And well, I don't think that there is any particular new chemistry that is being developed for bedbugs but we have launched bedbug product which you had asked for. And this product is available, it is available with almost all pest control operators, and they're using it. The product is very good, very effective, and I would strongly suggest to try and use this. The name of the product is SUMI PRIDE, my pride SUMI PRIDE and it is a very, very effective product. You can contact any PCO - Pest Control Operator for this. Mr. Bhide asked

about the breakup of our total products reach. So, we are primarily, we have agro-resolution division as a prime division which constitutes 93% of our total revenue and animal nutrition and EHD constitutes 7%. So, that is how it is divided. On digital efforts on mango farmers, yes, this campaign has been taken up and I think to take you into greater detail I will request Dr. Suresh to give you the information on the same.

- **Dr. Suresh Ramachandran– Whole time Director & Chief Commercial Officer, Sumitomo Chemical India Ltd.:**
- We do have mango as a key crop. We have a portfolio basket of products to treat various pests including weeds or diseases or insect pests. We have run a campaign, an integrated campaign right from soil nutrition, pest management of all those pests as well as diseases, in key mango growing areas like Uttar Pradesh, Maharashtra, as well as Andhra and Gujarat. And our teams are connected with, you know, thousands of farmers during the season through some of those physical activities and some of those through digital activities and enable the farmers to understand our solutions and also use those solutions which benefited the farmers immensely. And in the coming season also will continue to put emphasis on the key crops and help the farmers to get a better yield and profitable.
- **Mr. Chetan Shah – Managing Director, Sumitomo Chemical India Ltd.:**
- Thank you, Dr. Suresh. I think Mr. Bhide, you also asked about current cost and end prices, etc. So, the pricing has been very dynamic, very volatile in the year 22-23. We saw unbelievable price rise of all the key raw materials, and also the finished goods. And this was going on almost up to December'22 and then all of a sudden without any pre-warning, the prices of materials started crashing and this just kept on every week. We would think every week that the last week if we had not ordered we would have been better off. But you can't do that, you can't stop purchases. So you have to purchase something. But we reduced our purchases in the last quarter to a significant extent that I think we cut down purchases by minimum 20% as compared to previous fourth quarter. And that has helped us a bit but prices continuously started going down and we have only seen the stability of these prices in the month of July and also seen some of the prices inching up. So, I think it has bottomed out and now it should not be that volatile, hopefully. And the end pricing we always say and I mentioned earlier also that we always pass on the cost or we always adjust the prices according to the market condition and according to the input price condition.
- Mr. Mahadevia, you asked about the active ingredients and the status of the same and Japan products etc. We are manufacturing totally today around 15 active ingredients and the new molecules of Japan which have come and we are manufacturing already one active ingredient for Japan for many years now. We started another active ingredient plant at Bhavnagar which started commercial production last year. And we'll be making four active ingredients in the new Tarapur plant, which is getting commissioned this month, which actually as I speak, it is ready for starting commercial

production as we had said earlier also, that by July we should be ready and we have kept the timeline. So that is the situation as far as active ingredients are concerned.

- The Government of India has not yet announced the PLI scheme for agrochemicals. We are expecting it, there has been a lot of representations that we have made, that you know, the exports of agrochemicals is increasing as a matter of fact, it has become in excess of \$5 Billion now. So it is a very important sector. And we are telling the Government of India to include agrochemical in PLI scheme. And if our request is acceded to, of course, we can take a great advantage out of this scheme. And we can use this scheme in our endeavor to put up a new plant at Dahej because there'll be a lot of new active ingredients that will be manufactured at Dahej, some from technology transferred from Japan, some from our own technology and it is going to be a big site. We can definitely use PLI scheme for that project.
- As far as litigation on Glyphosate is concerned. Yes, on 19th of July there was a court hearing. As usual, as expected the Government of India was not ready with any concrete replies or anything. So, on the request of the industry, the court has fortunately set aside the implementation of that notification till further orders. So, now it is no more a next day count, this notification cannot be implemented till the final order of the court. So, that is a good news, it will restrict the uncertainties of what will happen in the next hearing. So, that is situation for us.
- R&D expenses, Mr. Mahadevia mentioned 0.4%, yes, you are right. It is lower compared to any other company or compared to even our parent company. But we do a different type of research in the sense that we are basically researching on process development, process improvements, you know, new products, how to engineer and how to take it to the plant, etc. For the molecules, we still largely we depend on our research centers in Japan. And that's a good situation for us because ground work is being done there and we are really glad that we can take benefit of the work being done over there. And we, you know, in India we have very solid formulation R&D, we have very good ground level and zero level development of new products. So, I think we have expertise on how to modernize the R&D activity, etc., - something that I take apart from you and of course, we are also planning to develop Dahej plant - we have plan to have a state of the art pilot plant over there, not new R&D center because R&D center we have already got in Mumbai, in Bhavnagar and in Gajod. But yes, the modernization of the same we will certainly take your point of view.
- Regarding millets, I think it is a new topic - number one. Number two, as far as my knowledge goes, the millets will not consume that much of agrochemicals. And thirdly, you know, unfortunately, all these type of activities of promoting millets or doing any farmer education, etc., is not falling under the definition of CSR in the Companies Act. So, we have represented to the Ministry of Agriculture to ensure or to take this farmer related initiatives if the company can take that should also be included as part of CSR activity. Because we are spending a lot of money on health, education, etc., which is

also good thing. But if we can also spend some amount of CSR budgets on farmers' well-being and farmer's education, we can pick up some topic like millets or right use of agrochemicals or anything of that sort under CSR activity.

- And the last question about the Rupee and Yen. I think, Rupee is strengthening and I hope it strengthens further, I'm not concerned whether it will - it should not impact our exports because we will have to be competitive enough, even if the Rupee strengthens and we will be. But it'd be good for the country. And we are not much concerned about Rupee-Yen conversion ratio, because our parent company has very kindly agreed to supply all the materials that we buy from Japan in Rupee currency only. So, we have no fluctuation of Rupee and exchange rates. We have entire purchase from Japan only in Rupees which is very good in a sense. So, with that, I hope I have covered all the questions and I once again thank you for your kind words. Thank you very much.

- **Moderator:**

- Thank you very much.

- **Dr. Mukul G. Asher – Chairman, Sumitomo Chemical India Ltd.:**

- Thank you, Chetanbhai. The Company had provided remote e-voting facility to the members to vote on all the eight resolutions being business of the meeting and forming part of the notice of this meeting. The remote e-voting was conducted between 25th July and 27th July 2023. As I mentioned earlier, the members who are attending the meeting today, but who have not avail of the remote e-voting facility are eligible to vote on the resolutions through e-voting process. I once again request such members to cast their votes through e-voting facility. The Board has appointed Mr. K.G. Saraf as scrutinizer for the remote e-voting and e-voting in this meeting. The scrutinizer will submit his consolidated report on voting and based on the report, the voting results will be announced by the Company. The voting results will be put up on the Company's website within two working days of conclusion of this meeting. All the business of today's meeting is completed and hence I declare this meeting as concluded. Please note that the e-voting facility will continue to be available for 15 more minutes after the conclusion of this meeting.

- **Ms. Deepika Trivedi – Company Secretary, Sumitomo Chemical India Ltd.:**

- Chairman sir, we thank you for chairing and conducting this meeting and guiding us. I propose a vote of thanks to the Chair.
- Shareholders, please note that the e-voting facility will continue and will be available for 15 more minutes and now this meeting stands concluded. We thank all the shareholders attending this meeting, the Board members and SCIL colleagues present in this meeting. We also thank Link Intime India Private Limited and its representatives for providing platform for this meeting and for their support. Thank you.

DISCLAIMER: E&OE – This transcript is edited for factual errors. In case of discrepancy, the video recording uploaded on the Company's website under the caption "Video Recording of the AGM held on 28th July, 2023" will prevail.