

Date: 18<sup>th</sup> May, 2024

To  
The General Manager,  
Department of Corporate Services,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001

Dear Sir/Madam,

**Sub: Strategic Business Decision: Closing CDG Petchem's PE Wax and Evaluating the business opportunities of Polymer Trading Ventures.**

**Ref: Regulation 30 of SEBI (LODR) Regulations, 2015**

**Scrip Code: 534796**

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) - Regulations, 2015, we hereby inform you that the Board of Directors at its meeting held on 18<sup>th</sup> May, 2024 has accorded its approval for closure of PE Wax and Evaluating the business opportunities of Polymer Trading ventures.

Details under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read along with SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 is annexed herewith and marked as Annexure-A for closure of PE Wax and Polymer Trading ventures.

Kindly take the above information on record.

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Thanking you,

Yours Sincerely,

**Manoj  
Kumar  
Dugar**

Digitally signed by Manoj Kumar Dugar  
DN: cn=Manoj Kumar Dugar, o=CDG Petchem Limited, email=manoj.dugar@cdgpetchem.com, c=IN  
Date: 2024.05.18 14:02:22 +05'30'

**Manoj Kumar Dugar**

Managing Director

DIN: 00352733

Encl: As above

**Details under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) - Regulations, 2015 read along with SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015**

<b>S. No</b>	<b>Particulars</b>	<b>Details</b>
1	Date of such binding agreement, if any, entered for sale of such unit/division, if any;	N.A
2	Amount & percentage of turnover or revenue or income and net worth of the listed entity contributed by such unit or division during the last financial year;	Turnover contributed: 56,82,900 Percentage of turnover: 3.6
3	Date of closure or estimated time of closure	18 <sup>th</sup> May, 2024
4	Reasons for closure	Annexure-I

In a strategic move to optimize resources and enhance long-term profitability, the Board of Directors of CDG Petchem has decided to cease operations in its PE Wax and Polymer Trading businesses. This decision comes as a result of a comprehensive evaluation of market dynamics and the company's performance in these sectors.

### **PE Wax Business:**

The escalation of the Russian-Ukraine conflict has significantly disrupted the petrochemical market, leading to unpredictable fluctuations in supply and demand. Additionally, the company faced challenges with sourcing raw wax, particularly from refineries like Opal and Haldia, which transitioned to refining and distributing wax directly to the market. Also the import of Raw PE WAX got effected as it is impossible to have control over the quality consistency of the material being imported. Hence the Board concluded that the PE Wax business has become non-operative and does not align with the company's long-term strategic goals. Furthermore, continued operation in this sector was deemed detrimental to the company's financial health.

### **Polymer Trading Business:**

Despite being engaged in petrochemical trading, the Polymer Trading segment has become unproductive significantly has reduced its contribution to the company's profitability over the past two years. The Board's evaluation revealed that the business lacked the potential for substantial growth and did not offer a competitive advantage. The board decided to evaluate the business opportunities to increase the effectiveness of the polymer trading business.

### **Future Direction:**

In light of the closure of these ventures, the Board is actively seeking new avenues for growth and profitability. To this end, a team of advisors comprising board members will be formed to explore opportunities for launching new businesses, acquiring established ventures, or making strategic investments. The primary objective is to identify lucrative and sustainable ventures that will maximize shareholder value and position the company for long-term success.

### **Conclusion:**

The decision to close CDG Petchem's PE Wax businesses reflects the company's commitment to adaptability and strategic foresight. By divesting from non-performing segments and redirecting resources towards more promising opportunities, the company aims to enhance its competitiveness and create value for its shareholders in the evolving market landscape.