

(AN ISO 9001, 14001, 50001/ HACCP & FSSC 22000 CERTIFIED COMPANY)

CIN: L24100MH1972PLC016149

July 23, 2023

Department of Corporate Services
Bombay Stock Exchange Ltd.
P.J. Towers, 25th Floor,
MUMBAI – 400 001
Fax No: 22723121/2037/3719/2941

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
MUMBAI – 400 051
Fax No: 26598237/8238

Dear Sir,

Ref.: **Scrip code: 500412 / TIRUMALCHM**

Re: **Reg. 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.--
Copy of proceedings of the 50th AGM held on July 22, 2023**

Date of AGM : 22/07/2023

Total number of shareholders on record date: 81448

No. of shareholders present in the meeting in person:

Promoters and Promoter Group: 5

Public : 94

The proceeding of the AGM is attached.

Kindly acknowledge.

Thanking you,

Yours faithfully,
For **THIRUMALAI CHEMICALS LIMITED**



T. Rajagopalan.
Company Secretary

PROCEEDINGS OF THE 50TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THIRUMALAI CHEMICALS LIMITED HELD ON SATURDAY, JULY 22, 2023 AT THE MYSORE ASSOCIATION AUDITORIUM, MYSORE ASSOCIATION, 393, BHAUDAJI ROAD, MATUNGA C-RLY., MUMBAI – 400 019 FROM 2.30 PM TO 4.15 PM.

Present:

Directors Present:

- | | |
|------------------------------|---|
| 01. Mr. R. Parthasarathy | Chairman & Managing Director |
| 02. Mrs. Ramya Bharathram | Managing Director/CFO |
| 03. Mr. R. Ravishankar | Director (Chairman of Audit Committee) |
| 04. Mr. Raj Kataria | Director (Chairman of N&R Committee & SRC Committee) |
| 05. Mr. Dhruv Moondhra | Director |
| 06. Mr. Rajeev M. Pandia | Director (Business Review & Risk Management Committees) |
| 07. Mr. R. Sampath | Director |
| 08. Mrs. Bhama Krishnamurthy | Director |
| 09. Mr. P.M.C. Nair | Director |
| 10. Mr. Arun Alagappan | Director |

In Attendance:

- | | |
|--------------------------|--|
| 01. Mugundhan Kumar | M/s. Walker Chandiok & Co LLP, Chartered Accountants |
| 02. Mr. Manoj Mimani | M/s R. M. Mimani & Associates, Company Secretaries |
| 03. Mr. C. G. Sethuram | Group Chief Executive Officer |
| 04. Mr. Sanjay Sinha | Chief Executive Officer |
| 05. Ms. J. Radha | Executive Vice President, Finance |
| 06. Mr. B. Krishnamurthy | Executive Vice President, Accounts & Systems |

Present: 99 Shareholders

Proxy: No proxy forms were received.

Mr. R. Parthasarathy, Chairman & Managing Director of the Company took the Chair.

After ascertaining presence of quorum, the Chairman called the meeting to order.

The Chairman informed that the Statutory Registers/Documents, the Auditor's Report and the Secretarial Audit Report are available for inspection.

The Managing Director, Mrs. Ramya Bharathram introduced other Directors and Senior Executives. She informed that Mr. Arun Ramanathan would not be able to attend the meeting due to prior appointment. Mr. Arun Ramanathan, Chairman of the Stakeholders Relationship Committee, has nominated Mr. Raj Kataria to represent the Stakeholders Relationship Committee at the Meeting in his absence.

The Chairman addressed the shareholders on the performance of the company and on the global and Indian economic scenario.

The Chairman stated that there are no qualifications, observations or comments on financial transactions or matters, in the Auditor's Report/Secretarial Audit Report having any adverse effect on the functioning of the Company.

Then the Managing Director narrated the business items set out in the Notice of the meeting.

The Chairman informed that the Company extended the facility of e-voting as required under Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements), 2015 and as provided under the Companies Act, 2013. The Chairman introduced Mr. Manoj Mimani, Practicing Company Secretary who has been appointed as Scrutinizer to conduct the polls.

The Chairman invited queries/suggestions from the members, before conduction of poll. Shareholders spoke on the Company's performance, operation of Subsidiary and sought views of the management on future plans of the Company.

All clarifications required by the members on the performance of the Company and subsidiary were given by the Chairman & Managing Director.

Thereafter the Chairman asked Mr. Manoj Mimani, the appointed Scrutinizer to conduct the poll and forward the results. Thereupon the poll was conducted by the Scrutinizer.

Then, Chairman announced that the Voting results will be declared on receipt of Scrutinizers' Report and placed in websites within 2 days of this meeting as required under SEBI (LODR).

The meeting ended with a vote of thanks to the Chair.

Encl.: Chairman's speech at the meeting is attached

Chairman's Speech

1. Dear Members & Representatives of members, Directors and our management team on the dais, members of the press, analysts, staff of your company and all our guests, I am delighted to welcome you to the 50th AGM of your company.

2. I am indeed happy that so many of you could join us today on this wonderful occasion. I am sure some of the young attendees here will also attend the 100th AGM of our company, though I am not so sure about myself.

3. Covid is well behind us.

In spite of a rocky start, India rose to this challenge with its usual resilience, Indian Jugaad, our excellent IT systems; and the dedicated work of tens of thousands of government servants, medicals professionals, company employees and volunteers.

It is indeed a commendable effort to be very proud of.

Since H2 of the financial year 22-23, the global economy has been going through a series of shocks and bad news:

The Ukraine war and its disruptions, severe inflation, high interest rates, the lockdowns in China, the deep and long slowdown in Europe and now finally for the last 6-8 months near recessionary conditions in China and the connected slowdown in Far-East.

The world is not out of this; there are no clear indications on when some of these issues will moderate and especially the economic problems in China and in Europe. Considering the deep integration of the European economies and Far-East with China, this promises to be a difficult period.

Among the larger economies, the US has started on its recovery, driven by huge infusions of government money.

Luckily, India and our industry came out of the Covid and the challenges described above reasonably well; we continue to grow at a robust rate.

4. Our Industry and Our Company

i. We did quite decently in the previous year, fy 21-22. Demand was robust and we operated at good capacity and with immediate take off by all our customers.

We were able to build-up good cash reserves for both term loans and working capital at the net level.

ii. The year under discussion now (fy 22-23) started out well, but by the H2 we started feeling the impact of the Far-East crisis with China dropping its prices aggressively into India and in the international markets.

China which had been a relatively small player in our products in the International and Indian markets for Phthalic Anhydride was able to drive large volumes into India. Prices globally and our prices in India dropped in tandem.

iii. During the year we also took the once in 3 years extensive shut down for catalyst changes and inspection at our major plants in Ranipet.

We also used this period of low margins to do major replacement of some old assets at Dahej which as you know we acquired a few years ago from another producer. These resulted in a lower volumes and lower margins for the year.

- iv. In spite of the very difficult market situation and reduction of volumes, we have managed to deliver decent EBITDA & profits and operating cash flows were maintained at a decent level.
- v. In our fine chemical and food ingredients divisions which have a significant export content to the EU and US, we were able to deliver good volumes with excellent margins.

We were also able to enrol a large number of new customers in the US and EU. This is part of our efforts to build up the customer base for our US petrochemical and food ingredient – specialities project.

- vi. During the last few years, in our main product in India (Phthalic Anhydride) one of the major problems has been the dumping of cheap product containing toxic impurities from China and a few other countries.

Unlike most other large economies, India does not have robust regulations against such practices.

This causes serious health issues in thousands of consumer products containing such poisonous impurities from these imports.

In the case of our Phthalic anhydride these go into children's toys, baby pacifiers, water bottles, leather cloth for upholstery, paints, blood bags, water hoses, etc.

You can imagine the terrible harm toxins would create. This also affects Indian prices and margins as these can be sold at low prices.

- vii. While the government started on correcting this about five years ago for many chemicals, this effort was interrupted by Covid and long delayed by severe opposition and lobbying by overseas producers, their distributors and those importers who took advantage of this.

Your company was one of the earliest to sensitise the Government of India to these hazards in 2018.

After very intense work, this was corrected and imports of such hazardous PA have been blocked finally in late June 2023 in our product.

I commend our CEO Mr. Sinha and his team for their active role in this.

The government is now moving fast to address this problem in a wide variety of chemicals imports.

- viii. In food ingredients & fine chemicals we had one of our best years. Our main plants at Ranipet for these are nearly 30 years old; we are working on refurbishment and improved utilisation of these units this year and the next.

This is naturally a difficult task in a working plant and with good orders to execute.

A number of initiatives have been taken up at our manufacturing plants in Tamil Nadu, Gujarat, and also in Malaysia.

These will help improve the culture of safety, manufacturing reliability, efficiencies, water & energy consumption and sustainability.

5. **Projects:**

- i. The project in the US to manufacture petrochemicals (Maleic anhydride) and food Ingredients–specialities is well under construction. Almost 80% of the plant is being built in India as pre-assembled modules and being shipped to be installed directly at the site. This significantly lowers project cost and safety during construction.

We have some pictures here of this plant of how this plant will look.

You can see the size and complexity of this effort

- ii. We have started construction of the new Phthalic Anhydride and Food ingredients–Fine chemical plant in Dahej and are about half way in construction.

This will add about 100,000 tonnes to our existing 150,000 tonnes in Tamil Nadu; we hope it will be in operations and start contributing in the next financial year.

This is being implemented by our wholly owned subsidiary TCL Intermediates Pvt Ltd.

- iii. Funding for both these projects is largely closed; a good part of the investments will come from equity from our accrued reserves.
 - iv. During the financial year we were able to maintain a position of low debt in spite of starting on the investments in these projects.
During the current year we will definitely have some debt due to loan funding for these projects. However these will remain at a very conservative level.
 - v. Together with the Dahej project, once completed we will be one of the largest producer of Phthalic Anhydride and some of our specialty chemicals in the world.
We will be in a similar position in our food ingredients as one of the largest global producer by the calendar year 2025.
6. Our employees and management team have worked extraordinarily hard in designing and executing both these projects and in various improvements in our various improvements in our business operations.

On your behalf I propose a vote of thanks to our wonderful people.

7. We have started on a multiyear program of better reliability, improved safety, manufacturing efficiency, cost reduction and in up-skilling & development of our employees. We will start seeing the results of these in coming years.
8. I thank our directors who have been very supportive, our employees at all levels, our customers & suppliers, our bankers and our many partners; most important, I thank all of you our shareholders who have trusted us and supported us on our journey.

Jai Hind.