

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

CIN: L24100MH1972PLC016149

August 08, 2020

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 47th AGM held on August 07, 2020

Date of AGM : 07/08/2020

Total number of shareholders on record date: 53511

No. of shareholders present in the meeting either in person or by proxy:

Promoters and Promoter Group: Nil

Public : Nil

No. of shareholders attended the meeting through Video conferencing:

Promoters and Promoter Group: : 11

Public : 56

The proceeding of the AGM is attached.

Kindly acknowledge.

Thanking you,

Yours faithfully,
For **THIRUMALAI CHEMICALS LIMITED**


T. Rajagopalan.
Company Secretary

PROCEEDINGS OF THE 47TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THIRUMALAI CHEMICALS LIMITED HELD ON FRIDAY, AUGUST 07, 2020 THROUGH VIDEO CONFERENCING (VC)/OTHER AUDIO-VISUAL MEANS (OAVM) FROM 2.30 PM TO 3.30 PM.

Present:

Directors Present through VC:

- | | |
|------------------------------|--|
| 01. Mr. R. Parthasarathy | Chairman & Managing Director |
| 02. Mr. N. Subramanian | Director (Chairman of Business Review Committee) |
| 03. Mr. R. Ravishankar | Director (Chairman of Audit Committee) |
| 04. Mr. Raj Kataria | Director (Chairman of Nomination & Remuneration Committee) |
| 05. Mr. Dhruv Moondhra | Director
Director (Chairman of Stakeholders Relationship Committee and Corporate Social Responsibility Committee) |
| 06. Mr. Arun Ramanathan | Director |
| 07. Mr. Rajeev M. Pandia | Director |
| 08. Mr. R. Sampath | Director (Chairman of Risk Management Committee) |
| 09. Mrs. Bhama Krishnamurthy | Additional Director |
| 10. Mrs. Ramya Bharathram | Whole-time Director & CFO |
| 11. Mr. P.M.C. Nair | Whole-time Director (Mfg.) |

In Attendance:

- | | |
|-------------------------|---|
| 01. Mr. Mohamed Haniffa | M/s. Walker Chandiook & Co LLP, Chartered Accountants |
| 02. Mr. Manoj Mimani | M/s R. M. Mimani & Associates, Company Secretaries |
| 03. Mr. C. G. Sethuram | Chief Executive Officer |
| 04. Mr. T.Rajagopalan | Company Secretary |

Present: 67 Shareholders

Proxy: As the Annual General Meeting of the Company was held only through Video Conferencing/ OAVM the facility of appointment of proxies by members was not available for the Meeting.

Mr. R. Parthasarathy, Chairman & Managing Director of the Company Chaired the Meeting through VC/OAVM from Ranipet, Tamil Nadu.

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

The Chairman welcomed the members and informed that the Meeting was held through VC/ OAVM in compliance with the circulars issued by the Ministry of Corporate Affairs, Government of India and the Securities and Exchange Board of India.

The Chairman informed that the Statutory Registers/Documents, the Auditor's Report and the Secretarial Audit Report are available electronically for inspection as required under the Companies Act, 2013.

The Chairman introduced other Directors and Senior Executives.

The Chairman addressed the shareholders on the Business Scenario facing the Company, the performance of the company and the tentative Plans. *(Text of Chairman's Speech at the meeting is placed below.)*

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 Chairman 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. Further, the facility to vote on resolutions through electronic voting system at the meeting was made available to the members who participated in the meeting and had not cast their votes through remote e-voting.

The Chairman introduced Mr. Manoj Mimani, Practicing Company Secretary who has been appointed as Scrutinizer to scrutinise the voting through electronic means (i.e. remote e-voting and voting at the meeting by using electronic system).

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

Thereafter, the Chairman stated that the suggestions made by the members would be taken up by the Board for consideration.

Then, Chairman announced that the poll results will be displayed at the websites as required under the Companies Act, 2013 as and when received from the Scrutinizer.

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

Speech of the Chairman- Mr R. Parthasarathy

at the 47th Annual General Meeting of Thirumalai Chemicals Ltd, on the 7th August 2020

Dear Members & their representatives, Directors, Senior management and Employees of your company, Auditors, Secretarial Advisors, Guests, Analysts, I welcome you all to the 47th Annual General meeting of your company.

For the first time in our history we are not able to meet face to face. We will miss meeting you. We try to make this meeting as normal and interactive as in past years. We will also quickly put up a copy of the chairman's speech on our company's website and stock exchanges for our shareholders who have not been able to attend.

2019 -20 was very difficult year in many ways.

Many major sectors like Housing / Real estate and Automotive, Engineering & Capex sectors have been affected for over 2 years. The fallout of this has affected many industries including ourselves.

India's globalization over the last 2 decades and the poorly thought out FTA's has exposed the Indian economy to global pressures - without correcting the many weaknesses that Indian Industries suffer from - poor infrastructure, cost of capital, high factor cost & energy cost. As a result, manufacturing within India has been damaged by large scale and indiscriminate imports and dumping over 2 decades.

The "Make in India" initiative could not take off. The situation has been that while our demand grows, Indian trade policy is creating jobs in the Far East, in the ASEAN and the Middle East, rather than in India. Other nations and foreign companies has strategically taken advantage of this and have created industries around our country, to serve us.

The COVID pandemic has been another major blow for nearly 6 months. India started out well in its response but the last 2 months are extremely worrying. Far too many people in our country, as many as 75 % are not practicing safety guidelines - masks, social distancing. The state and central governments have to do much more to educate, persuade and force people to follow these simple measures that could bring down the spread greatly. These are simple low cost measure that will bring down the spread greatly. This is also essential for the economy to revive.

Far too many people the poor, self-employed, employees of MSME & large service industries are facing terrible hardship. Again I reiterate, the governments in the States and Center have to approach this as a war-time strategy and improve compliance. It is better to work on prevention than

on the terribly expensive cost of treatment and the permanent damages it causes to the people. The economic cost of not doing so is horrendous and continues.

For our own company 2019-20 was one of the most difficult years we had in a long time.

There were many reasons for this- internal and external to our company.

- Long and deep slowdown in the Far East and India
- The Trade war in the past years.
- Distressed Far east producers, desperate to find a home for the surplus product, and the FTAs and Trade policies that allow them to dump into India.
- Our lack of capacity during H1.

All lead to low volumes and margins and high costs.

We have still made a profit, but far below expectation.

The Disruption of pandemic also severely affected Q4 & this Q1 and we are coming out of it only now.

On the bright side many of these negatives are now behind us.

We made large investments during the last 2 years to replace and retire all our plants and install new reliable plants with new technologies. These are now performing excellently. Reliability and Safety have improved. The new plants and the new technology has helped us reduce cost, and benchmark ourselves with the best in the world. Capacity was a problem for last 3 years in all products. This has been resolved and we are operating at much higher levels and continue to ramp up. These are helping us get over the business problems of the pandemic.

While unfair practices from overseas continues, our government has started taking action. For eg. In case of our major product Phthalic Anhydride the Government has taken steps to put the impact of the FTA with Korea in abeyance. The import of toxic and substandard product during the last three years was playing havoc in our markets. With our efforts these have now been corrected by mandatory quality standards that will prevent such products from coming into the country and damaging our businesses.

There is further action our government is taking based on our representations and active work with the government. It has taken us 3 years of hard work to make the government aware of the deep damage that some of India's trade policies viz –a viz partner countries has done to Indian industry. I am happy these early corrections have started. Your company remains active with the government on further steps.

Our Gujarat project at Dahej has been delayed by over 3 months due to the pandemic and construction labor shortages. While it continues to be difficult, our own staff with limited labor, are putting in long hours and hard work. These plants will start producing by early Q4. I remind shareholders that this plant is located very close to 80 % of our market and to our principle raw material supplier in Jamnagar. These are important structural advantages. Going forward, this site will play an important role in our growth.

Our balance sheet remain strong. A major part of our capital investments (of over Rs 250 Cr in the last 3 years) has been made from cash accruals. In addition, our Net borrowings remain small. By end of the year I am hopeful that we will further drive these down. These are important for future growth and an important buffer in any crisis, as in the current one.

Our subsidiary in Malaysia, like us faced a very poor market situation, and a long breakdown of a critical part of their plant; Their performance has suffered greatly. This has been now corrected and they will ramp to full capacity by end September-20. They have also now taken up an aggressive cost cutting and reliability initiative. By later in the current year they will again start to contribute to group profit and cash. Even during these difficult 18 months we have not had to support them in funds, as they have also built up their own cash reserves. As the market improves in 2021 I expect them to be ready to exploit the positive situation.

As shareholders know our group is working on a Food Ingredient Project in the US, based on local shale gas based raw material. This is within an existing complex with very low cost feed stock.

The local government has been very supportive and is providing our subsidiary a long tax holiday, permanent benefits, grants and soft Loans. The full funding for the project has now been arranged by the subsidiary. We are supporting them in design and engineering. They are currently reviewing this project to look at the impact of COVID. So far the pandemic appears not to have had an impact on these products and business. Over the long term we expect our US business to grow and contribute well.

Finally, I must talk about our most important asset - our people. Among all our strengths, they give me the greatest confidence - their deep commitment, their hard work and their extraordinary efforts. On behalf of shareholders, directors and myself, I thank them deeply.

I thank our Shareholders for your support, your Directors for their guidance, our bankers, government agencies, and our many partners - supplier, service providers, and contractors.

Thank You.

Jai hind.