

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

CIN: L24100MH1972PLC016149

January 24, 2019

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,

Re.: Management update on performance and ongoing projects

1. Volumes fell in Q3 as:

- Crude price was fluctuating and fell in late Q2/ early Q3.
- Great volatility fears in all markets due to China /Far East slowdown.
- Related commodity Chemicals prices fell.
- Our customers (incl many Mid-size companies) slowed buying sharply.
- We slackened production to suit the demand and used the occasion for needed maintenance; and for debottlenecking / improvements in the existing Plants.

- We could wait until the situation stabilized, as our balance sheet is very healthy.

2. Gross Margins and EBIDTA are lower in Q3 than H1 - after rising for 3 years.

3. Volumes have now recovered well. The general environment which determines offtake of our products is positive

4. Margins are recovering but more gradually.

5. Our approach meanwhile is more long term than every quarter.

- We are working on our ongoing expansion in Dahej; and the planning for a proposed new Food Ingredients Project in the US

- Our Subsidiary is working on the start-up of a new Finechems plant; While planning a major expansion in their core product Maleic Andryride for the Asian / Middle East markets.

- When we have the final investments decisions we will provide more information.

Kindly acknowledge.

Thanking you,

Yours faithfully,

For **THIRUMALAI CHEMICALS LIMITED**



T. Rajagopalan.
Company Secretary