**The 53rd Annual General Meeting**

**August 07, 2026**

**CORPORATE PARTICIPANTS**

| **DIRECTORS IN ATTENDANCE** |
|---|
| Mr. R. Parthasarathy<br>*Chairman & Managing Director and Member of Corporate Social Responsibility Committee* |
| Mrs. Ramya Bharathram<br>*Managing Director & Chief Financial Officer and Member of Risk Management Committee and Fund-Raising Committee* |
| Mr. M Somasundaram<br>*Independent Director, Chairman of Audit Committee and Member of Business Review Committee, Fund Raising Committee & Steering Committee* |
| Mr. Rajeev Pandia<br>*Independent Director, Chairman of Nomination & Remuneration Committee, Risk Management Committee and Business Review Committee and Member of Audit Committee, Fund Raising Committee and Steering Committee* |
| Mr. PMC Nair<br>*Non-Executive Director and Member of Stakeholders Relationship Committee* |
| Mr. Raj Kataria<br>*Non-Executive Director, Chairman of Stakeholders Relationship Committee and Member of Audit Committee, Nomination & Remuneration Committee and Investment Finance & Banking Committee* |
| Ms. D Sabitha<br>*Independent Director and Member of Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Investment Finance & Banking Committee and Steering Committee* |
| Mr. Meghav Mehta<br>*Independent Director and Member of Risk Management Committee, Corporate Social Responsibility Committee, Business Review Committee and Steering Committee* |

| **OTHER REPRESENTATIVES** |
|---|
| Mr. Sanjay Sinha<br>*Chief Executive Officer* |
| Mr. Aditya Sharma<br>*Company Secretary & Compliance Officer* |
| Mr. Vijay Vikram Singh and Mr. Mugundhan<br>*M/s Walker Chandiok & Co. LLP (Outgoing Statutory Auditors)* |
| Mr. Balasubramanian T.V<br>*PKF Sridhar & Santhanam LLP (Incoming Statutory Auditors)* |
| Mr. Manoj Mimani<br>*R M Mimani & Associates LLP, Secretarial Auditor and Scrutinizer of the meeting* |
| Members from Finance and Accounts Team |

| **QUORUM OF THE MEETING** |
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| A total of 74 shareholders were present at the AGM, of which 26 are a part of the Promoter & Promoter group and 48 are public shareholders. |

**Welcome address and Introduction – Mr. R. Parthasarathy**

I am Parthasarathy, Chairman of the Board of TCL, and I have taken the chair. The time is now 05:15 p.m. The required quorum is present and therefore I call the meeting to order. This Annual General Meeting of the company is being conducted through video conference in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

The company has emailed the Annual Report for the financial year 2025-2026 to those shareholders whose email address was registered in the company. For shareholders who have not registered their email addresses, the communication letter was posted to their address mentioning the company's website link where the annual report can be accessed. The statutory documents including the Register of Directors and their Shareholding and the Register of Contracts are open for inspection electronically.

The same is open for members present at the meeting and will also remain open for 15 min after conclusion of this meeting. Ms. Ramya Bharathram, Managing Director and CFO, will now introduce the Board Members present.

**Introduction of Board Members - Ms. Ramya Bharathram**

Thank you. I will now introduce the Board Members of the company, starting with Mr. M Somasundaram, Independent Director. He's the Chairman of the Audit Committee and Member of the Business Review Committee, Fund Raising Committee and Steering Committee.

Mr. Rajeev Pandia, Independent Director. He is the Chairman of the Nomination and Remuneration Committee, Risk Management Committee and the Business Review Committee, and a Member of the Audit Committee, Fund Raising Committee and Steering Committee.

Mrs. Bhama Krishnamurthy, Independent Director, she is not present today. She is the Chairperson of the Corporate Social Responsibility (CSR) Committee and a Member of the Audit Committee, NRC, Risk Management Committee, Investment Finance and Banking Committee, and Steering Committee.

Mr. PMC Nair, Non-Executive Director. He's a Member of the Stakeholder's Relationship Committee.

Mr. Raj Kataria, Non-Executive Director. He's a Chairman of the Stakeholder Relationship Committee and a Member of the Audit Committee and Nomination Remuneration Committee, and Investment Finance and Banking Committee.

Ms. D Sabitha, Independent Director. She's a Member of the Audit Committee, CSR committee, Stakeholders Relationship Committee, Investment Finance and Banking Committee and Steering Committee.

Mr. Meghav Mehta, Independent Director. He's a Member of the Risk Management Committee, CSR Committee, Business Review Committee and the Steering Committee.

We are also joined by Mr. Sanjay Sinha. He's the CEO of the company, Mr. Aditya Sharma, Company Secretary, Mr. Vijay Vikram Singh and Mr. Mugundhan Kumar from Walker Chandiok & Co LLP. They are our outgoing Statutory Auditors. We have a change of auditors this year. Mr. Balasubramanian from PKF Sridhar and Santhanam LLP, Chartered Accountants. They are the incoming Statutory Auditors.

Mr. Manoj Mimani from M/s. Mimani and Associates, LLP, Company Secretaries are the Secretarial Auditor and Scrutinizer of the meeting and

Members of the finance team.

**Chairman's Speech – Mr. R. Parthasarathy**

I would like to welcome the Directors who are joining the AGM for the first time.
I would also like to welcome the incoming auditors and thank the outgoing auditors and also the incoming internal auditors from CNK & Associates, LLP

Dear members, colleagues, staff, invitees, analysts, and Members of the media. Welcome. You will have the Annual Report in your hand along with your Director's Report. The above documents are exhaustive. We have tried to provide all the information. This has been a difficult two-year period for your company. During this meeting, we will answer questions that you may have.

I'll briefly talk to you about the circumstances that affected our company, and then on what have been the specific problems, how your management is addressing these and the prospects going forward. Our world has experienced five major shocks in five years, each of which impacted our projects and our operation very deeply. The Ukraine war sharply distorted oil and our feed stock prices and prices of steel and machinery and of supply chain along with consequent deep delays and escalation. There has been a deep and continuing slowdown in the Chinese domestic consumption.

This was coupled with the flood of new investments there, including the chemical industry. Particularly, exports far below costs have surged from China and the parties. These are really depressed prices within China and the parties and also across Asia and Europe and particularly in India. The COVID-19 pandemic drove up the prices of steel and machinery, electronic chips, a host of engineering products, and created long delays and high inflation. Especially impacting our Dahej and our US projects. Since 2026, the sudden US tariffs which went up from near 3% to over 50%, sometimes more, affected our customers in India as also our ongoing US investment created tremendous inflation within the US Currently, the Iran war has been driving up logistics costs again after Gaza and roiling the oil and feed stock prices. We and our customers are still grappling with many of these circumstances.

How did this impact your company? There were three major impacts:

Over the last one and a half years, our business operations have suffered from very high raw material costs and shortages and long supply chain/ lead time for our main feedstocks. Our Customers have been suffering from weak & uncertain demands, their sharply depressed exports and daily uncertainty. We ourselves had to move from nearly 100% domestic feedstock supply to 100% imports almost overnight.

When you need to buy nearly 150-200,000 Tons/Yr of liquid raw material and switch overnight from domestic to uncertain global supply, you can imagine the chaos this created in manufacturing, in sales, and in our working capital needs. Meanwhile since 2022-23, we had started investments in two major projects, these have both excellent medium and long-term prospects, but we need a lot of cash to execute them.

One, a major PA & Fine Chem Project in Gujarat, located right within our consumption cluster, and close to one of the largest feed producers globally. This project suffered from significant machinery supply and construction delays and escalation. The Plant was since started up last year and has stabilized well, is operating at near 90 to 95% capacity. But raw material has to be largely imported, and logistics is erratic.

Second, the US Project was affected by every one of these global events, which drove up Equipment & Logistics spends, and our construction costs both here and more so in the US. With these two large Investments along depressed cash-flow from our existing business, we have gone from a "zero debt" company in 2021-23 to a high debt situation with elevated finance costs.

The very high feedstock prices in India have also resulted in hitting our credit limits, especially given the longer supply chain and working capital needs. Here, reduced operations due to difficulty in feedstock procurement, resulted in low operating levels and reduced capacity utilization. Surplus energy for internal use is a major product in each of our Plants; thus, reduced operating levels sharply spikes up our energy and conversion costs.

How are we addressing these? What is happening now?

In India, we have managed to switch between domestic and imported feedstock at short notice, and this situation will last until the global refining situation settles down. The markets and our customers have adjusted to the disruptions and we are now starting to see a steadier demand with decent margins. Not the best situation yet, but getting better. Our Gujarat subsidiary's Plant has settled down well and the team there has started working on improvements, with support from our main production centre in South India.

The Finance and Operating teams have been able to drive changes in working capital management through better structured credit lines from supplier and bankers. This is still work-in-progress and a very dynamic process. More will be done to resolve these and stabilize during the ongoing year. Work on reducing debt is our priority. Across the company and its subsidiaries, there is a major initiative to improve efficiency and drive down costs, with good early results. We are seeing very healthy competition between different teams and sites, and to share learnings.

You would have noticed early green shoots of better performance. The challenge is to sustain this. On the US project, every disruption that I mentioned earlier did impact us; Covid, Ukraine, Gaza and US Tariffs and Inflation, causing us delays and escalation. We are now through these, with construction complete and stage-wise start up in progress.

The US Subsidiary had decided to move to a new lender, both for replacing our main lender, the EXIM Bank-India and for funding the escalation, working capital and for further operation. After initial uncertainties and delays, we are now well advanced in this with the help of a well-known US investment banking advisor.

There were many positives in these US businesses and investments.

Surprisingly the sharp challenges I mentioned for the project execution and our India operations have made the US subsidiaries prospects remarkably better.

How?

- While the Feedstock Butane prices have soared across Asia and Europe, in the USA they have remained low and steady – among the lowest cost globally. Butane and water are the only raw material for all our products there.

- The US is the largest global market for our Food Ingredients and continues to demonstrate steady growth. The US producer currently supplies only 25% of US domestic demand for these products, the rest being imported. These products are essential and critical for Food processing across many hundreds of manufacturers and products.

- Prices in the USA remain the highest globally and far above Asia and EU prices, creating good margins.

- The tariff and the supply chain & logistic disruptions, which caused great difficulties to US consumers for these essential inputs, have created an intense drive toward US domestic sourcing by customers in every segment.

- We have been serving these markets for over 20 years but have very close supplier relationship with these customers for their EU and India & Asia operations for many years.

We have intensified our marketing and seeding operations in the US over the last 5 years, and the responses are very positive.

Our target is to start production soon, and ramp up progressively during 2027 and 2028.

This will make the US Subsidiary independent of India funding support and bring the parent company and the group progressively to low debt and finance costs over the next few years. Our Malaysian Subsidiary has mothballed the front end Maleic plant, reduced costs sharply and is working the derivatives plant and business. I am happy to say they no longer need support from the parent. They are studying all options, will move, as soon as the environment improves.

Their MAN plant is in excellent condition, with wonderful location - on site Butane access and exceptional access to Asean and India markets. Overall the rest of 26/27 and most of 28/28 be a period for stabilization and of maximising returns and cash flows, from our India operation and from our subsidiaries. I remind shareholders how well your managers handled the last major crises:

The severe 2009-2012 meltdown, Covid and many earlier. In each case we came out stronger, healthier, lower debt, better profits and value. We have stronger teams now, they have far more experienced. I am confident we will see a much healthier, far more valuable company within the next few years. I must personally thank our CEO Mr Sanjay, our MD and CFO Ms Ramya, and all our staff for their extraordinary dedication and work. I am very proud of them.

And not least my deep gratitude to our Directors for their deep involvement, guidance and expert help at every step. As I close, I thank our customers and suppliers, our bankers, our internal auditors, our consultants and advisors, registrars & the many agencies we work with for their support in our operations and our many shareholders who regularly interact with us, and you who are present here today, for the trust and confidence you have reposed in us.

I commit to you that your company's employees and management will do our very best for the growth of your company. Thank you. Jai Hind.

**Audio Visual to the Shareholders – Mrs. Ramya Bharathram**

I would like to invite the attention of everybody here to the short audio visual showcasing our US project. I hope you enjoy it and find it very informative and insightful. We will take your questions just post that and post all the other statutory regulatory processes.

**Ramya Bharathram**

Host can you please play the AV?

After, a short AV

**Statutory Audit Report -Mr. R Parthsarathy**

There are no qualifications, observations or comments on financial transactions or matters, in the auditor's report having any adverse effect on the functioning of the Company. Since there are no such qualifications in our auditor report, there is no requirement of reading the auditor's report at the AGM.

**Secretarial Audit Report - Mr. R Parthasarathy**

There are no qualifications, observations or comments by the Secretarial Auditors on Compliances of the Company. Since there are no such qualifications in our auditor report, there is no requirement of reading the auditor's report at the AGM.

**Consideration of Business set out in the Notice - Mr. R. Parthasarathy**

Now, consideration of the business matters set out in the notice of the AGM, the Notice convening AGM has been sent to the shareholders. With the permission I'll take the same as read. Now I'll proceed to the business set out in the notice convening the AGM. There are Three ordinary businesses and Two special businesses in the notice.

First item is to adopt Accounts of the company for the Financial Year ended March 31, 2026. This is an Ordinary Resolution.

Second item is for re-appointment of the existing Director Ms. Ramya Bharathram as a Director. Again, this is an Ordinary Resolution.

Third item is to appoint M/s. PKF Sridharan & Santhanam LLP, Chartered Accountants as Statutory Auditor of the Company. This is again an Ordinary Resolution.

Fourth item is to ratify the remuneration to Cost Auditor for Financial Year ended March 31, 2026 as an Ordinary Resolution

Fifth item is to approve payment of remuneration to Non-Executive Directors as a Special Resolution

**Details of E-voting – Mr. R. Parthasarathy**

As already informed, the Meeting is being conducted through Video Conferencing and the Company has provided remote e-voting facility to all the members to enable them to cast their votes electronically in respect of the businesses to be transacted at this AGM and in accordance with the provisions of Section 108 and 109 of the Companies Act, 2013. The remote e-voting facility was kept open from August 4, 2026 at 9.00 am to August 6, 2026 at 5.00 pm (IST). (both days inclusive)

As per Section 107 read with Section 108 of the Companies Act, 2013, there will be no voting by show of hands at this AGM. Therefore, in order to enable the members present at the meeting, who has not availed the facility of remote e-voting, to cast their votes, an electronic voting facility at the AGM has been arranged in respect of the business contained in the notice.

Mr. Manoj Mimani, Practicing Company Secretary has been appointed as Scrutinizer by the Board of Directors for scrutinizing the remote e-voting and to give report thereon in the prescribed manner.

Now, members who already registered themselves as speakers will be given an opportunity to speak and raise their queries if any. To avoid repetition all the queries from shareholders will be answered in one go, All the queries from shareholders mentioned will be noted down and answered in one serial order.

Speaker shareholders are requested to speak loudly and clearly through their devices and are also requested to limit their talk and questions to two minutes. Representative from Central Depository Services India are the moderator at this meeting. The moderators will enable speaker shareholders one by one serially to speak. Any member who faces any technical issue during their turn may be invited again to complete their speech. Please note that the proceedings of this meeting are being recorded.

Now, I request the moderator to invite the speaker shareholders to raise their query and all speaker shareholders and their representatives are requested to mention their name and place from where they have joined the meeting before the start of their questions. Go ahead.

**Mr. Srinivasan, CDSL**

Thank you, sir. The first speaker Mr. Hitanshu Shukla. So, you are elevated to panel, please unmute your device and ask your questions. Thank you.

**Mr. Hitanshu Shukla – Speaker**

Hello?

**Mr. Srinivasan, CDSL**

We can hear you sir, please proceed.

**Mr. Hitanshu Shukla – Speaker**

I have already mailed my questions.

**Mr. R. Parthasarathy**

We couldn't hear.

**Mr. Hitanshu Shukla – Speaker**

I have already mailed all the questions.

**Mr. R. Parthasarathy**

Okay

**Mrs. Ramya Bharathram**

Yes, we can proceed to the next speaker, please.

**Mr. Srinivasan, CDSL**

The next speaker Mr. Nirav. Nirav sir, you are elevated to panel, please ask your questions. Thank you.

**Mr. Nirav Jimudia – Speaker**

Am I audible sir? Hello?

**Mr. R. Parthasarathy**
Yes, sir. Very clearly, thank you. Please go ahead.

**Mr. Nirav Jimudia – Speaker**

Yes, sir. Thank you for the informative Chairman speech you have just spoken about. So, with respect to that, I have three, four questions, so first you mentioned that we are in the process of finalizing a lender in USA which could refinance our debt. So, what could be the timeline expected for the start of our US plant? That is number one. Secondly, on the US plant in the last AGM you said that that project has a capability to do something around 40 to 45 % of an EBITDA margin.

But in your speech, you mentioned that because of the disruptions and everything which we have been seeing across, that numbers optically is looking higher which is benefiting the US project. So, if you can just help us understand on that. Thirdly, you mentioned that one of the existing players is supplying close to around 25% of the USA volumes. So, what could be the market size of both Malic Acid and Fumaric Acid in USA? Also, let's say in the process of ramping up the food ingredient business, is it possible that we can start utilizing the upstream Malic Anhydride plants to the fullest level and start generating the revenues and profits from there? And what could be the market size of MA in USA? Lastly on the USA project, what's now the final project cost of USA and what would be the final debt figures looking like? Second on the Dahej side, if you can just help us understand what was the utilization levels in FY 26 Q4 and Q1 FY 27.

Have we achieved the desired level of cost benefits which we have envisaged at the start of the plant? And even if you can't share the exact figure, but let's say between the Ranipet and Dahej PA facilities, how much is the cost difference currently in terms of the conversion cost? Also, sir, I would like to make you notice that like the difference between our standalone and the consolidated numbers is close to around 360 crores as visible from the annual report, but page number 72 shows that the Dahej subsidiary has done a turnover of 650 crores, if you can just clarify on that, that would be helpful. Also, what was the production numbers for Phthalic Anhydride in FY 26 for both the projects put together? Lastly sir, you mentioned that we have incurred some extra costs due to lower production. So, had the production not lower because of the raw material challenges and everything what amount of extra cost we have incurred this financial year to support the lower production. And finally, sir, after all the projects are commissioned and put to light, what sort of final debt that would be looking on the balance sheet side?

These were my questions sir. Thank you for patiently hearing those and I wish the management all the best for all the upcoming years and I wish that the project is commissioned as soon as possible and we as a shareholder gets the reward of the same.

Thank you so much sir and good day.

**Mr. Parthasarathy**

Thank you.

**Mr. Srinivasan, CDSL**

And the next speaker Mr. Rajesh Bhosle you are elevated to the panel, please unmute your device and ask your questions.

**Mr. Rajesh Bhosle - Speaker**

Okay. Hello. Am I audible?

**Mr. R. Parthasarathy**

You’re audible.

**Mr. Rajesh Bhosle – Speaker**

Yeah, thank you for the opportunity. I had a couple of questions. First, on Phthalic Anhydride, so have we seen any pricing movements due to Chinese entity evolution policy? How has that policy affected our products? Have we seen any shutdown on capacity reduction globally for Phthalic Anhydride?

How is the demand for our products picked up? Any specific reason for drop in Standalone revenue figures for our quarter Q1 27 numbers? What kind of peak revenue and margins can we achieve from our India business? And with recent add on Chinese and Korean players, do we expect PAN prices to increase and why were we not able to maintain PAN margin despite add being implemented way before. On USA plant sir, how is the first phase of USA facility ramped up? What kind of ROC are we targeting for our USA business? Is it if possible, could you please provide us with the name of that one player that is operating in Malic and Fumaric Acid business in USA? Could you please help us understand what kind of spread can we make or can we expect from US business? Give us some idea on sourcing benefit in our USA business. Suppose we get n-butane at X price, at what price would a player in China or other country would get that raw material at? And what kind of asset term and margins can we expect from USA business?

And last two questions sir, we are further going to raise about 750 crores. So, could you please help us know where are the funds going to be deployed? Could you please provide breakup of debt between India and USA business?

That's it from my side. Thank you so much sir, and all the best.

**Mr. Srinivasan, CDSL**

Thank you, sir. The next speaker Mr. Rohit. Rohit sir, you are elevated to panel, please unmute and speak, please.

**Mr. Rohit Ohri – Speaker**

Sir am I audible now?

**Mr. R Parthasarathy**

Yes, you're audible

**Mr. Rohit Ohri – Speaker**

Sir, sent some questions in advance, I hope you answer them all. For the AGM I have three questions which I just observed. First one on 5$^{th}$ of August 2026 there was this extension of anti-dumping duty on Phthalic Aanhydride for the imports from China and South Korea where duties were somewhere around $40 from the Chinese and $140 from South Korea. Do you expect that we should be able to reap the benefits of this extension? Second question. As per your estimates, what would be the value of the Malaysian entity if it was supposed to be divested in near future? And the third, it was from the presentation that you showed, is there a railway track running next to the plant? Because, I could not see much from my mobile, but it appears that next to the Ohio river, I think there's a railway track running so just these few observations. I hope you answer them and the questions which were sent to you in advance.

Thank you, sir. Thanks a lot!

**Mr. Srinivasan, CDSL**

Thank you, sir. The next speaker Mr. Samarth Singh. You are elevated to panel, please ask your questions. Thank you.

**Mr. Samarth Singh – Speaker**

Yes, thank you for the opportunity. I had sent my questions in advance, but I think they were before the Q1 results came out, so I will just change them a little bit. My first question was on the US plant refinancing timelines and terms. You know, the annual report had mentioned in May that in three or four months, you know we would be refinancing the debt now I mean we are past that window, so if you just talk about how many indicative term sheets have been received, what is the interest rate range that they're quoting? And more importantly, are there any conditions precedent that could tell your financial closure beyond October? And what is the contingency of this debt that does not close? My second question was on the US plant, the $340 million cost that we mentioned in the presentation and the December 2026 target. So, one that's almost doubling of our original estimate, and commercial operations have been pushed to you know about by almost a year now after repeated delays. So, what specifically needs to happen between now and December for commercial production to begin? Is there any risk that December targets slip again? And if so, what is the monthly cash flow of the US facility while it remains pre-revenue? Second one was on the US plant EBITDA at full capacity. If you could just say what the expected annualized EBITDA of the US business would be at full utilization of the maleic anhydride and the fumaric acid capacity and EBITDA that you would expect, and under what selling price estimates would that happen? And that given the consolidated finance costs are running about 52 crores per quarter, largely driven by the US debt, what sort of utilization levels do we need to reach so that the US plant can service the interest expense? The next question was on our covenant breaches, you know, have we managed to obtain waivers for those and with the Q1 results now in, has the September 2026 covenant test has been met or waived? What are the actual ratios versus the required thresholds? And the last one was on the standalone numbers, the Q1 has shown a good recovery. If you could just talk about whether that is, you know, like a one-off cyclical or is there, is it structural and we could expect to see the rest of the quarters of the year as well, provide similar sort of profitability.

That's it from my side. Thank you very much.

**Mr. R. Parthasarathy**

Thank you.

**Mr. Srinivasan, CDSL**

And the next speaker Mr. Aditya, Sir you are elevated to panel, please unmute and ask your questions.

**Aditya Khandelwal – Speaker**

Yes, I already sent my list of questions. Just two questions more. So, we have mentioned that we have switched from, our raw material sourcing from hundred percent domestic to a hundred percent imported. If you could just help us understand why has that been the case because I believe Reliance has been supplying ortho-xylene. So why have we switched the from domestic to importer? That's one. And secondly, sir, if you could just help us understand the debt situation of the company. Now it has ballooned up to more than 2000 Crs.

So, what's the peak debt which we, which the company is looking at, what are the debt repayment terms for the next one or two years? And if the Pan cycle doesn't turn in our favour, how will, how will the company be able to manage the debt situation for the next one to two years? Thank you, sir.

**Mr. R. Parthasarathy**

Thank you.

**Mr. Srinivasan, CDSL**

And the next speaker, Mr. Avinash. Avinash sir, you can unmute your device and ask your questions.

**Mr. Avinash – Speaker**

Hello?

**Mr. R Parthasarathy**

We can't hear you Mr. Avinash

**Mr. Avinash – Speaker**

Sir, am I audible now?

**Mr. R Parthasarathy**

Yes, you're audible.

**Mr. Avinash – Speaker**

First of all, a good evening to everybody. I congratulate the management for the performance of the company for the FY 2025-2026. I congratulate the management that the company will go for best in the future. I hope as a shareholder of the company will do its best in the future.

**Mr. R. Parthasarathy**

Thank you very much.

**Mr. Srinivasan, CDSL**

The next Speaker Ms. Lekaha Shah has not participated, so we are moving to the next speaker Mr. Pramod Kumar Jain.
Mr. Pramod Kumar Jain has not participated. We are moving to the next speaker; Mr. Kanwar, Mr. Kanwar has also not joined. So, we are going with the next speaker Mr. Yusuf. Mr. Yusuf you are elevated to panel, please ask your questions.

**Yusuf Yunus Rangwala – Speaker**

Good good evening sir, good evening.

What export order we are having sir. Point number two when we can expect bonus. Please physical meeting.

**Mr. R. Parthasarathy**

Thank you Mr. Rangwala. Please start your questions.

**Yusuf Yunus Rangwala – Speaker**

Not sir, what order and what export orders are in chemical? So what export order we having sir? Point number one, point number two annual copy of our company said department has sent around 350 pages, very good, very excellent sir, very good printed sir or very knowledgeable all everything you have mentioned. So, we have that plan. Sir. Sir, in this 53rd Annual General Meeting at the time of the 50th you kept get together for a physical meeting. Sir, why are you not keeping a physical meeting after that please keep.

The speaker gets together so that we can meet you sir. So, this is humble request, so point number three 200 total number of staffs working at our officer point number three. So, dividend, very good, very excellent. I'm very happy with dividend sir. So, this is a 53rd Annual General Meeting. So, last years passed so that you have not declared a bonus sir, what is your view?

Regarding a bonus, having a good profit, good reserve, sir, when we can expect the bonus sir, and this chemical business, what the main competition, you understand my point sir. Who is the main compared chemical? BSF, BSF and many other chemical business, what I understand, sir?

What is your view to the new export order sir? Thank you very much.

Wishing you the Happy 15th August and Happy Raksha Bandhan.

**Mr. R. Parthasarathy**

Thank you Mr. Rangwala.

**Mr. Srinivasan, CDSL**

The next speaker Mr. Satish Shah has not joined, so moving to the next speaker Mr. Reddeppa Gundluru please unmute your device and ask your questions.

**Mr. Reddeppa Gundluru – Speaker**

Good Evening, Chairman, Good Evening Members of the Board, MD and Company Secretary.

Namaste, and Good Evening myself Reddeppa Gundluru, attending this AGM from Hyderabad, a shareholder and very happy with the Company's performance. First of all, sincerely thanks to our Company Secretary and his entire team for sending the annual report on timely manner and ensuring a smooth arrangement. All the employees towards the well-designed annual report the inspiring team for growing from strength to strength and global.

(Not audible)

Yes, sir.  What is the raw material and energy prices remain volatile, what are the measures are taking to protect your margin sir and also the final question is that what is the long-term capital allocation strategy? Will you will you (Not audible)

**Mr. R. Parthasarathy**

We cannot hear him.

**Mr. Srinivasan, CDSL**

Yes, sir. So, moving with the next speaker Mr. Priyankar Sarkar, sir you are elevated to the panel, please unmute and ask your questions.

**Mr. Priyankar Sarkar – Speaker**

Hi sir, good evening.

**Mr. R. Parthasarathy**

Good Evening.

**Mr. Priyankar Sarkar – Speaker**

Few questions, with the Dahej and the US plant now operational as of 26th June can we conclude that the company has completed its current Capex cycle and no major Capex has been planned in the near term? That's one.

Second, said again we are doing a fundraise of 750 crores, so how do we plan to utilize these, considering we have already raised about 506 crores, 450 plus 56 crores over the last year, and how much more capital do we require?

Third sir, I think some shareholder speakers already asked with the US plant was the peak revenue potential and expected EBITDA margin, obviously once things reach our full utilization? That's the third question.

And fourth and the last question from my end is, could you provide a broad breakdown of your standalone India business revenue by product segment, e.g., PAN, Malic Acid and the margin profile of these segments. So, if you can kindly answer these questions point by point, that will be helpful for a shareholder like me. Thank you very much and wish you all the best.

**Mr. Parthasarathy**

Thank you.

**Mr. Srinivasan, CDSL**

Thank you, sir. With this the Q and A session is completed, I request the Chairman to take it forward. Thank you.

**Mr. R. Parthasarathy**

Ms. Ramya will you start on India questions and where I have to answer on any India questions and I'll talk about that. Meanwhile, I can then take up other questions that we have agreed.

**Mrs. Ramya Bharathram**

Yes. Thank you. Thank you to all the shareholders for coming up with their questions. We have also received many questions through email.

And we'll try and address as many of them as we possibly can. So, I will start with the India business and probably not address each of the questions in the order that they are given, but more in a logical order.

So, in India we handle, we manufacture Phthalic Anhydride, that is our main product and we also have multiple downstream products. One is a food ingredient segment where we make Malic Acid and Fumaric Acid and the other is the downstream Phthalic Anhydride derivative segment that we have Diethyl Phthalate. Now, phthalic anhydride is our major product and it contributes to about 85 plus percent of the revenue of the India business.

We made Phthalic Anhydride both in Ranipet, which is our mother plant as well as in the Dahej, in our subsidiary, which is a fairly new plant which we started up last year. The last financial year was a very tough year for the company as the Chairman had earlier indicated. A lot of the geopolitical issues made it very difficult to operate in that market. Demand had come down substantially mainly because of the US tariffs that had been imposed, though we were not directly exporting to the US, many of our downstream industries were exporting and their volumes had come down significantly and this affected the demand that was, that we would normally have seen in the Indian market. Our market concentration was mostly in India and a little bit of exports also, we do undertake once in a while, but largely ours is a domestic focused market. Because of the hit to the demand, we operated at lower capacities. Since we had started up the Dahej as a new facility last year, we wanted to operate it at full capacity to ensure that all the equipment was operating at the efficiencies that they were built for.

And so, we allocated maximum volume to the Dahej plant. We had to operate the Ranipet facility, which is a very large capacity. We have about 160,000 tons of capacity in Ranipet for production of Phthalic Anhydride. That was operated at a much lower level because the demand was not enough in the market to operate it fully. The shortage of feed stock also affected the raw material sourcing for all the manufacturers. We had to go in for import. There was one question somebody asked why we have completely shifted to import sourcing for Ortho-Xylene. That is not the case. We continue to buy from Reliance, but Reliance has also reduced production of Ortho-Xylene. And we are able to source only partially the requirement for us. Rest of the requirement of ortho-xylene is being imported from international sources, and that we have all benefit to the team, the operating team headed by our CEO. They have been able to source the imported Ortho-Xylene at very quick turnarounds and this has helped us over the last year, more than a year to ensure that shortage of feed stock was not a major constraint.

The Chinese economy also did not perform very well as expected, and this had impacted all the Asian economies. So, in general last year was a very difficult year. Margins also fell because of the fallen demand and there was decrease in supply of Phthalic Anhydride in India.

We had added capacities, our co producers also added capacities and that meant that there was additional supply in the market, which was not being absorbed. Because of the lower operations, we made a lot of corrections in our plants to improve efficiencies and this has already started yielding some results in the operating costs. We also went for a catalyst change in Q4 of last year in Ranipet and that also resulted in lower production. The margin started showing a definite improvement by Q4, though we were not able to produce to the full extent that we wanted to, there were the market margins did see a significant improvement and this has continued to grow through into the first quarter of the current year as you have seen by the results that we have published. However, in March, because of the war starting in the Middle East, there was significant disruption to the feed stock prices. As you know, most of the crude related feed stock had gone up a lot and we saw about 60 to 70 % in some cases doubling of feed stock prices from March onwards

This of course created another issue of working capital availability. We were stuck with lower levels of working capital and we were not able to completely source our raw material because of the lower working capital. We also saw tightness and availability, so, though we were able to source some material from Reliance, we had to go out in the market. There were a couple of producers who had declared the force majeure and so that was also creating a problem for us. Financial institutions also tightened their controls and this also created an issue.

In the meantime, Dahej has ramped up very well, the Dahej facility has done fairly well. Efficiencies that we had expected to see because of the larger reactor and the more modern reactor and because of new operations we have been able to see progressively over the last year and this we hope that over the next year we are operating Dahej at more or less 90 to 95 % capacity utilization except for a couple of months or so when raw material feed stock was not available. But we hope that with continuous operations at those kind of levels at 90 to 95 % levels, we will be able to prove that the establishment of Dahej in that region especially very close to our customers, we have multiple customers in that region and within Dahej itself actually and that is really positive for the Dahej unit itself.

There was a question about Dahej revenue last year at 650 crores. This is because there were a few inter company, that is between parent and subsidiary transactions that we can either net off or show it as a whole. In the year ended 31st of March, we had shown it without netting it off and that is why you are seeing a larger number. But going forward from this year onwards, that net off will be done.

The cost versus benefits with respect to the Dahej, we still have to make a few improvements to the operations there. It is a new plant. The operators and the employees there are very new. So, the kind of efficiencies that we have been able to bring together in Ranipet over the several decades that we have been working on are not yet implemented fully in the Dahej. However, it is extremely promising to note that in the last year from August onwards when we have running at full capacities, we have seen excellent improvements. And the, the reactor and other equipment there are showing very good efficiencies there. So that is something that we are able to appreciate very clearly.

Then of course Q1 profits, somebody asked if it's off because of the cyclical nature of the business. A significant portion of Q1 is because the markets have improved a lot. Now we are seeing this extending into the Q2 also. We believe that going forward the markets will continue to improve. The demand will come back. I think the Indian market has kind of stabilized post all the disruptions that we saw last year. I'm hoping that doesn't happen, but subject to any new major upheaval in the global scenario, we think that the business in India will remain strong.

The anti-dumping duty extension as some of you have mentioned that came in a couple of days ago will definitely help strengthen the business, will definitely help to ensure that the additional capacities that India has created in order to become more Atma Nirbhar this will definitely help the economy and we will ensure that this delivers better results for the business also.

So, a couple of questions regarding the recent resolutions that have been passed, the covenant breaches that have been indicated in the notes, we have received waivers from the banks last year as it has been difficult for industries across the country and the banks have understood that and they have been extremely supportive to us and our gratitude to them definitely goes out to them, but they have given us a waiver and most of them have indicated that the next measurement will be at the end of the current financial year that is FY 27. As far as the enabling resolution is concerned, a few of you have noted that the debt levels are increasing. This is one of the reasons that we have been looking at some kind of Fund infusion into the business.

The, resolution that we have passed for the 750 crores is an enabling resolution. We have not yet decided on the course that the company is going to take. It will be in the form of debt or equity we have taken approvals for NCDs, OCDs, CCDs, etc., as well as some forms of equity raise also. So, this is still under discussion. Once there is a clarity on that, we will of course be informing the public and the shareholders about it.

On the Malaysia business, as somebody had indicated we have not been operating the Malic Anhydride business for more than a year now, but we do continue to operate the derivatives portion of the business. That is a very small revenue, but of course it provides the cash flow that is required to continue to keep that alive. And we do continue to look at opportunities for divestment of the Malaysian business as we have indicated in the past. That is not yet closed.

As far as the valuation is concerned, we have to see what the market is able to value it at and then take the call. But we are still on the lookout for Potential investors into that business. That is all I have for the India business.

Mr. Chairman, you may take up the commentary about the US business, US project.

**Mr. R. Parthasarathy**

Yes, thank you Ramya.

I will talk about, some of the questions and I will not go through them in the same order, but go through them in logical order. Yes, the site has a railway line inside our site. It's a spur from one of the main lines across the United States and it's connected to various alternate railway lines. So, it gives us an excellent access across the country wherever we need to move by railway. We have got some cargos by railway, not all, but most of our cargos came by March. The site is an extraordinary site. I think this is one of the best decisions we made going to that particular state and that particular site. It's on the big river, the Ohio river.

It's a very, very deep large river connected to the Mississippi and we have our own barge terminal in our own land. Actually, right in our property, we have a barge port and we are able to, you would have seen some of those barges being unloaded. They're actually sea going and ocean-going barges. We moved cargo, the modular plant, which is very, very large. You're talking about a 135 ft tall structures, 20 ft by 20 ft is the base, 70 ft and 135 ft tall back to the equipment and there are 200 of them. So that's how we built out plant at Ranipet, inspected it, cleaned it and now floated them all the way to the United States and upriver to 3000 miles into our site.

So, it was an extraordinary effort and a very good site. Very cheap operation therefore, but the only thing was the deep-sea logistics went up by four times from the time we originally budgeted the project because of the Gaza war.

And later, we saw tremendous, even because of tariffs, we saw a tremendous increase in logistics costs into the United States from Asia. We also have a highway access to the site, our own highway access, Railway access mainline on the site and barge access on the site. And we are next door to very large butane fractionators which make excellent quality and multiple fractionators that provide us the quality that we need or even higher than the quality that we need, and they are very close by as close as 3 miles away, 20 miles away etc. The support from the site owner and from the state has been exceptional. They got all our permits, all our approvals for start-up, etc.

On the funding, obviously it is work in progress. As I said, we had a delay of about four or five months that was more due to that then advisors could not handle the disruptions that came up. Global disruptions that came up at that time, the tariff disruptions etc. A lot of lenders got a little frightened about any investment which was not yet started up because they were worried about tariffs and the impact of tariffs. It was very uncertain. We have received term sheets. There were a number of term sheets I believe.

This is work in progress and they are very confidential and we cannot disclose them t, we are bound by confidentiality clauses. And on top of that, we cannot disrupt the entire lending borrowing process. Cash burn is very nominal because the construction is over and we are only having cash burn for staff. And for a small amount of fuel and electricity on site and regular interest charges.

We are trying to, as I say restructure that, the EBITDA levels are expected once we stabilize in a year and a half time to be better than what we originally planned. However, you will understand that is a business in industry, we cannot discuss our EBITDA levels, we cannot discuss our profit margins, nor can we discuss our costs. We obviously cannot give protected and confidential information and business information, which is very important for operating our own businesses to our competitors or to the general public at large. So, you'll have to forgive me if I do not disclose these things. But generally, let me say the environment has become significantly more positive than during the first three years and specifically talking about the last two years, we have seen dramatic improvements in the business scenario for our products, our feed stock and our operations. The Capex cycle, somebody asked us whether we are planning any capex. The straight answer is not at all. Our CEO and our CFO and Management Team have been tightening up any capex spends and actually all internal spends. And I'm very happy to say we have brought down our cash spends very tightly with Dahej project which will be the last capex spend in India for a few years.

The US project will be the last one overseas for a few years and all of them, India and the United States run at a very high level of capacity, we maximize our margins and our cash flows and we pay back our debts to a great extent and go back to our 2020 -2023, situation of very low debt or actually zero debt. We will definitely be very careful about not taking on any more capex cycle, but we may have operational maintenance requirements, but we expect these to be very small. Our plants are excellently managed. They have very long, very high reliability rates and Dahej plant and the US plant are new. We don't expect any issues there.

About dividend and bonus, obviously we'll have to wait until we are in a good profitability position, under cash position. Any company which goes through such huge capex's investments does have the difficulty of large debt and servicing that debt. We just got caught with a couple of major three or four major incidents in the global situation along with an impact on the Indian operating business. I've already explained to you in detail about these. The Indian market continues to grow. We are very confident about the Indian market for our products, and I think we are in the two of the best geographies in the world, business geographies in the world, India with its growing demand and the US with a very stable business which has been growing regularly and which does not see any cyclicity and at the same time is in the highest price and the lowest feet stock position globally. So, the strategy is good. Now it is for execution and that is where the challenge is and that is where we will be concentrating, on liquidity, on good operations and on stability. And of course, on rewarding our shareholders and our employees and the general market. That's all I wanted to say. I think I have replied to all the points and if there are any more points you can send them across to us by email and we will reply to them.

Can I now go to the results of the e voting and the remote e voting?

**Mrs. Ramya Bharathram**

Please proceed. Yes.

**Mr. R. Parthasarathy**

I would like to inform shareholders and members that the results of the e-voting and remote e-voting will be announced by the scrutinizer and by the company on receipt of the scrutinizers report. The same as usual would be placed on the company's website and also send to the stock exchanges. With that, I would like to conclude, I would like to thank all of you. All items of the notice have been duly transacted. To the moderators, I would like to thank you deeply for organizing this so well to the shareholders and their representatives to the Directors, to the Statutory Auditors, the Internal Auditors, the Secretarial Auditors, and of course to all the other participants, TCL staffs, and our Management team and Operational team and also all our Invitees. Thank you very much, Jai Hind.

**Mrs. Ramya Bharathram**

Thank you all very much.

**Mr. Srinivasan, CDSL**

With the confirmation from the Chairperson we are concluding this meeting.

Thank you all for joining.

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