

Annexure - I

Summary of proceedings of the 16th Annual General Meeting

The 16th Annual General Meeting (AGM) of the shareholders of Sicagen India Limited ("the Company") was held on Thursday, 17th September 2020 through the Video Conferencing (VC) facilitated by Central Depository Services (India) Limited. Mr. Ashwin C Muthiah, Chairman of the Company presided over the meeting and conducted the proceedings.

The meeting commenced at 02:04 pm IST. The requisite quorum being present, Chairman called the meeting to order and welcomed the shareholders. Chairman informed that all the Directors and Key Managerial Personnel of the Company were present along with the Statutory and Secretarial Auditors. He further informed that requisite registers and other documents were made digitally available on the CDSL platform for the inspection of shareholders during the meeting. Thereafter, Chairman delivered his speech (copy enclosed).

With the permission of the shareholders, the Notice convening the meeting was taken as read. The requirement of reading of Auditors' report did not arise as there was no adverse remarks or observations in their Report.

After briefing the shareholders about the venue e-voting process, Chairman requested those shareholders who had registered to speak at the meeting to ask their queries. 2 Shareholders have sought some clarifications on the Annual report 2019-20 and the same were answered by Chairman and Mr. R Chandrasekar, Whole Time Director.

Thereafter, Chairman thanked the speaker shareholders for their participation and informed that the venue e-voting facility would remain open for another 5 minutes.

Chairman informed that the e-voting results would be intimated to Stock exchanges and posted on the Company's website within 48 hours from the conclusion of AGM. Thereafter, Chairman thanked the shareholders for their presence and declared the meeting as closed.

The meeting concluded at 02.27 pm.



Chairman's Speech

Ladies and Gentlemen,

It gives me immense pleasure to welcome you all, on behalf of the Board of Directors, to the 16th Annual General Meeting of your Company.

I hope you and your family are healthy and safe. Due to the pandemic, this is our first virtual AGM held through video conferencing and it is good to connect with you all digitally.

As per the general circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), the Annual Report of the Company for the year 2019-20 has been sent only through electronic mode to those members whose email addresses are registered with the Company/Depository Participant(s) and with your permission I shall take them as read.

Economic Scenario

Financial year 2019-20 presented a challenging time for the Indian economy. I am glad to say that we have together faced these trying times with determination and resolve, overcoming many hurdles and barriers. Global macroeconomic issues such as demand contraction, tepid growth and the COVID-19 pandemic affected the Indian economy. The pandemic is an unprecedented global health crisis and its impact is likely to dominate markets world over in the near term.

India currently faces notable short-term challenges including the outbreak of COVID-19 and the preceding slowdown of the informal economy. India saw a steep decline in its growth rate in the July-September quarter of 2019, when Gross Domestic Product (GDP) was at its lowest in 7 years at 4.5%. Several sectors such as real estate, aviation, automobile and construction sectors suffered a constant decline in demand. The GDP growth rate was estimated to be 5% in 2019-20 as compared to 6.8% in 2018-19 and is expected to be in the range of 6% to 6.5% in 2020-21.

In the current situation, I must congratulate the Central Government & the State Governments for rolling out several measures and initiatives to revive the Indian economy and improve our country's growth rate. The government has initiated several measures like the 'Make in India' and 'Digital India' as part of its infrastructure development initiatives.

Company's Performance

During the financial year 2019-20, your Company has posted a total revenue of Rs. 441.72 crore and a profit before tax of Rs. 5.11 crore as compared to total revenue of Rs. 547.74 crore and profit before tax of Rs.5.04 crore in 2018-19.

Due to sluggish market conditions, economic slowdown and the COVID-19 outbreak, the overall performance of the Company was affected during the year. But we are hopeful that we will bounce back strongly in the years to come.

During the year, the Company's Building Materials Division clocked a total turnover of Rs.356.37 crore as compared to Rs.445.55 crore in the previous year.

As far as our manufacturing operations are concerned, the performance of Power & Control Systems, Speciality Chemicals and Industrial Packaging was also affected as compared to the previous year.



The Power and Control System division's revenue during the year under review was Rs.28.68 crore and net profit was Rs.3.97 crore as compared to the total revenue of Rs.29.73 crore and net profit of Rs.4.77 crore in the previous year.

The turnover of the Speciality Chemicals division during the year was Rs.11.58 crore and net profit was Rs.1.96 crore as compared to the turnover of Rs.11.58 crore and net profit of Rs.2.39 crore in the previous year.

The industrial packaging division has posted total revenue of Rs.37.10 crore this year as compared to Rs.41.24 crore in the previous year. The net profit of this division for the current year was Rs.1.76 crore as compared to Rs.2.12 crore for the previous year.

Dividend

The Board of Directors of your Company has recommended a dividend of 5% for the financial year 2019-20.

Future Outlook

The de-growth in the economy is bottoming out and is showing signs of positive recovery after the initial COVID-19 impact. It is evident that infrastructure growth is necessary to achieve sustainable economic growth. Increasing demand and supply of building materials for infrastructure development with favourable regulatory reforms, FDI policy and private investment are expected in the Indian infrastructure and manufacturing sector.

Performance of the manufacturing sector is often linked to that of the Indian economy. Although economic slowdown in the manufacturing segment had led to a fall in demand in 2019-20, with rapid urbanization and increased infrastructure spends, the manufacturing sector consisting mainly of power, cement, steel, paper, petrochemical, refinery, fertilizer and sugar industries is expected to grow.

Acknowledgement

I take this opportunity to thank our shareholders for their continued support. Warm thanks to my colleagues on the Board for their valuable support, advice and guidance towards the company's growth.

I would also like to thank all the employees of Sicagen for their dedication and contribution towards the company's performance.

I wish to place on record my sincere gratitude to our bankers, customers, suppliers, State and Central governments and other regulatory authorities.

I look forward to your continued support in the coming years.

Thank you, Ladies and Gentlemen.

