



Date: September 28, 2022

<b>The BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051
<b>Scrip Code: 530117</b>	<b>Scrip Code: PRIVISCL</b>

**Sub: Chairman's Speech at 37<sup>th</sup> Annual General Meeting of the Company**

Dear Sir,

We are enclosing herewith a text of the speech delivered by Mr. Mahesh P. Babani, Chairman and Managing Director of the Company at the 37<sup>th</sup> Annual General Meeting held on Wednesday, September 28, 2022.

Kindly take the above on record.

Thanking You,

Yours Sincerely,  
For **PRIVI SPECIALITY CHEMICALS LIMITED**

*Ramesh Kathuria*  
Ramesh Kathuria  
Company Secretary & Compliance Officer



**PRIVI SPECIALITY CHEMICALS LIMITED**

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## **CHAIRMANS' SPEECH**

Dear Shareholders,

It gives me immense pleasure to address all of you. Trust you and your family are keeping well. Its good to know that the world is overcoming the pandemic through a collaborative approach. However, war clouds continue to create concerns impacting the economy. The Government and industries are fighting to revive and rebuild the economy under the most challenging situations. Your company is closely monitoring the impact and has taken many internal measures to mitigate the risks.

Reiterating our core values of sustainability, safety with a sense of urgency, we have taken a number of initiatives to protect our employees, environment and communities, so as to enhance stakeholder value.

I take this opportunity to sincerely appreciate and express my heartfelt gratitude for your continued support in all our endeavours. I am sure that the same would continue in the future as well.

The year that went by was special for more than one reason. I share my thoughts and viewpoints on the last financial year.

2021-2022 was a year that saw your Company PRIVI, consolidating its position and standing firm in the most unfortunate times we have witnessed in over a decade. A pandemic which is still around, Wars and threats of war in the vicinity disrupting the entire supply chain, extraordinary spikes in the input cost of energy and raw materials plus a pronounced slowdown in developed economies. In addition to the above your Company's all the units located at Mahad were inundated with flood waters which led to a disruption of manufacturing activities for almost a month. These situations led your Company to a lower-than-expected growth which is also reflected in the audited financials circulated to all shareholders.

However, through constant improvement in processes and proactive efforts including various cost and energy saving measures, we have been able to contain the impact and continue to peruse other measures. We have succeeded in maintaining our status as preferred suppliers and partners with all our key customers, in terms of value and volume and has been able to increase its share in certain segments and products manufactured.

We are constantly focusing on improvement and innovation to keep reinventing ourselves to stay competitive with an accentuation on renewable resources. Further, your Company remains confident of fortifying its market standing in the Aroma Chemical segment, execution excellence, investments in technology and a future ready renewable product portfolio. Your Company is continuously focusing on improving operating efficiencies and reducing manufacturing cost for better financial performance. With the above initiatives, we are sure of maintaining and growing our status as preferred suppliers to all the Global F & F Houses and FMCG Companies in the supply of Aroma Chemicals where your Company commands market leadership.

Your Company continues to be on its path of growth, and we shall continue to grow by adding newer products as per the customer requirements and after due evaluation of the market and demand for such new products and customer acceptance. Our Joint Venture with Givaudan is making good

progress. Our Prionyl, Camphor and Galaxmusk projects have been completed and we await final permissions to be obtained to start commercial production.

Adaption, Innovation and Agility, the three key principles that form the crux of our business, allow us to pivot as per circumstances in a VUCA world. We have a very insightful deep and meaningful relationship with our key customers, who continue to be our guiding source to co-create solutions in the face of challenges. Consistent growth and sustained value – creation for all the stake holders is what we thrive on.

Needless to add that our strong research and development has built our foundation and allowed us to make remarkable breakthrough. Since our inception, R & D has always been our top priority & foundation for growth.

Our company has recently finished implementing SAP S4 HANA Integrated ERP System replacing the old Oracle ERP System as a part of having robust data available on real time basis in order to keep pace with the future growth your Company plans. Your Company continues to upgrade technology in its Corporate Entity and operations in line with our commitment to sustainability. We have taken an initiative to begin a process of Science based targets. Solar energy and use of green fuels to ensure 25% replacement of current practices with green and clean energy. We hope to reach 50% by the year 2030.

We will continue to address challenges with innovation and sustainable solutions. Our customer requirements lie at the heart of our progress. Your encouragement and confidence in PRIVI will drive us forward in our journey towards Excellence in being a world class Speciality Aroma Chemicals Company, ensuring the highest standards of Environment, Social and Governance ( ESG ). While doing this we also ensure that there is rich diversity and inclusiveness that makes us a truly Global organization by combining the best of Global best practices with Local values and sensitivities.

Our CSR projects continues to serve the community in Mahad & Jhagadia, where our manufacturing units are located. Our Company focuses mainly on various projects in the areas of Education, Health and Hygiene and Environment. A path breaking initiative under the project of Clean Mahad Green Mahad started with tree plantation drive, of 10000 trees in phase 1 and eventually to reach 100000 trees. We introduced the first mechanized cleaning equipment for the MIDC and Mahad community. Our ongoing community services on education, skills development and environmental sustainability continues.

At the end I would like to take this opportunity to thank all our employees for their dedication and commitment.

I express my gratitude for the sound guidance of my fellow Directors as well as the Senior Management Team. I also thank our Bankers, Auditors, Legal Advisors and most of all you our Shareholders as our Esteemed partners in our journey of growth. We continue to move towards our goal of being the best-in-class Speciality Aroma Chemical Company.

We will together overcome the challenges of this VUCA world. I believe growth is the only mindset, which is required, and we will continue to grow, with our passion and commitment, as always.

Thank you.

Mahesh Babani  
CMD