



**THIRUMALAI
CHEMICALS LTD.**

44th Annual General Meeting

Date & Time :

Saturday, July 22, 2017 at 3.00 p.m.

Venue :

The Mysore Association Auditorium,
Mysore Association, 393, Bhaudaji Road,
Matunga C-Rly., Mumbai – 400 019

44th Annual Report 2016–2017

Board of Directors

Mr. R. Parthasarathy (Chairman & Managing Director)
 Mr. R. Sampath
 Mr. P. Shankar
 Mr. A. Janakiraman
 Mr. R. Ravishankar
 Mr. N. Subramanian
 Mr. Raj Kataria
 Mr. Dhruv Moondhra
 Mr. Arun Ramanathan
 Mrs. Ramya Bharathram (Executive Director)
 Mr. P. Mohana Chandran Nair (Executive Director)

Chief Executive Officer

Mr. C.G. Sethuram

Chief Financial Officer

Mr. P. Krishnamoorthy

Company Secretary

Mr. T. Rajagopalan

Bankers

- Bank of India
- State Bank of India
- Andhra Bank
- Axis Bank Ltd
- IndusInd Bank
- IDFC Bank
- Yes Bank

Auditors

M/s. Walker Chandio & CO LLP
 Chartered Accountants, Chennai.

Internal Auditors

M/s M.S. KRISHNASWAMY & CO.
 Chartered Accountants, Chennai

M/s ANEJA ASSOCIATES
 Chartered Accountants, Mumbai

Cost Auditor

Mr. G. Sundaresan, Chennai.

Registered Office

Thirumalai House, Road No. 29, Near Sion Hill Fort,
 Sion (E), Mumbai - 400 022

Tel. : 022-24017841, 43686200,

Fax : 022-24011699

E-mail : thirumalai@thirumalaichemicals.com

Website : <http://www.thirumalaichemicals.com>

CIN : L24100MH1972PLC016149

Registrar & Share Transfer Agents

Link Intime India Pvt Ltd

C 101, 247 Park, L B S Marg,
 Vikhroli West, Mumbai 400 083.

Tel. : +91 22 49186000

Fax : +91 22 49186060

E-mail : rnt.helpdesk@linkintime.co.in

Website : www.linkintime.co.in

Factory

25-A, SIPCOT Industrial Complex,
 Ranipet, Vellore District, Tamilnadu

Tel. : 04172-244327

Fax : 04172-244308

E-mail : mail@thirumalaichemicals.com

44th Annual General Meeting
Date & Time

Saturday, July 22, 2017 at 3.00 p.m.

Venue

The Mysore Association Auditorium,
 Mysore Association, 393, Bhaudaji Road,
 Matunga C-Rly., Mumbai – 400 019

Book closure

Sunday, July 16, 2017 to Saturday
 July 22, 2017 (both days inclusive)

Contents	Page No.
AGM Notice	2
Message from Chairman	11
Directors' Report, Management Discussion & Analysis	12
Corporate Governance Report	21
Auditors' Report on Corporate Governance	31
Extract of Annual Return	32
Secretarial Auditors' Report	41
Auditors' Report (Standalone)	44
Balance Sheet (Standalone)	48
Profit and Loss Statement (Standalone)	49
Cash Flow Statement (Standalone)	50
Notes to Financial Statements (Standalone)	51
Auditors' Report (Consolidated)	71
Balance Sheet (Consolidated)	74
Profit and Loss Statement (Consolidated)	75
Cash Flow Statement (Consolidated)	76
Notes to Financial Statements (Consolidated)	77

Members are requested to bring their copy of Annual Report with them to the Annual General Meeting

NOTICE

NOTICE is hereby given that the **FORTY FOURTH ANNUAL GENERAL MEETING OF THIRUMALAI CHEMICALS LIMITED** will be held at THE MYSORE ASSOCIATION AUDITORIUM, Mysore Association, 393, Bhaudaji Road, Matunga C-Rly., Mumbai – 400 019 on Saturday, July 22, 2017 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the Financial Year ended March 31, 2017.
3. To appoint a Director in place of Mr. R.Sampath (DIN: 00092144), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To ratify appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as Statutory Auditors for the financial year 2017-2018 and fix their remuneration.

SPECIAL BUSINESS

5. To appoint Mr. Arun Ramanathan (DIN 00308848) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 “RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Arun Ramanathan (DIN 00308848), Additional Director of the Company, who is retiring at this meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the conclusion of this meeting.”
6. To reappoint Mrs. Ramya Bharathram (DIN 06367352), as a Whole-time Director of the Company and in this regard to consider and if thought fit, to pass with or without modifications, the following resolution as a Special resolution.
 “RESOLVED THAT pursuant to the section 196 of the Companies Act, 2013 and other applicable provisions of the Act and Articles of Association of the Company, Mrs. Ramya Bharathram (DIN 06367352), be and is hereby reappointed as a Whole-time Director of the Company under section 196 of the Companies Act, 2013 with effect from 03.11.2017 for a period of three years and is liable to retire by rotation, upon remuneration and benefits as detailed below and be designated as “Executive Director”.

Remuneration:

- 1) Basic Salary: (Effective from 3-11-2017): With a minimum of ₹ 400,000 per month and up to maximum of ₹ 750,000 per month with the power to Managing Director to fix the basic within these limits. The Managing Director may increase suitably the Basic Salary within this band based on performance.

- 2) Company's contributions to PF, Gratuity, Superannuation Fund, Encashment of Leave, and Insurance as per Rules. These shall not be included in the computation of limits/restrictions for remuneration or perquisites as prescribed aforesaid under section II of part II of the schedule V of the Companies Act, 2013 and Mrs. Ramya Bharathram shall be entitled to the same.
- 3) Allowances and Benefits: including HRA, LTA, CCA, medical benefits and allowances, Travel or Car allowances, and other Allowances and Benefits, up to and not to exceed 100% percent of the Annual Basic salary, as above.
- 4) Commission up to 2% of net profits of the Company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013, but subject to the Annual Basic salary of the relevant year for which she is eligible and paid, as defined in item 1 above. The actual percentage of commission will be decided by the Board, for each financial year on completion.

FURTHER RESOLVED THAT within the overall limits as specified above, the Board has the power to determine individual component(s) of remuneration.

RESOLVED FURTHER THAT in any financial year during the currency of the tenure of Mrs. Ramya Bharathram, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, as permissible under Section-II, Part-II of Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force) or up to such other limits as may be prescribed by the Government from time to time as minimum remuneration ; or if required subject to obtaining of Central Government approval as required under sec. 197 or other applicable provisions of the Companies Act, 2013 or any re-enactments thereof.”

FURTHER RESOLVED THAT the appointment of Mrs. Ramya Bharathram shall be subject to the approval of the Shareholders of the Company by way of special resolution

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 “RESOLVED THAT subject to approval as may be required from the Central Government the appointment of Mr. G. Sundaresan, Cost Accountant (M 11733), as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for the Financial Year 2017-18 for a remuneration of ₹25,000/- in addition to reimbursement of out of pocket expenses, be and is hereby ratified.”

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Sunday, July 16, 2017 to Saturday, July 22, 2017 (both days inclusive) for the purpose of Annual General Meeting and for

determining members eligible for dividend, if declared by the shareholders.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.
4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy. However, such person shall not act as a proxy for any other person or shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
5. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend, if any, up to the financial year 2009-2010 to the Investor Education and Protection Fund (The IEPF) established by the Central Government. Likewise, Debentures/Fixed Deposits repayment warrants/ interest warrants which remain unclaimed /unpaid for a period of 7 years from the dates they first became due for payment have been transferred to the Investor Education and Protection Fund. All persons are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
6. Details under Clause 36 of the Listing Obligation with the Stock Exchanges in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Director has furnished the requisite declarations for their appointment/ re-appointment.
7. Electronic copy of the Annual Report for 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for 2016-17 are being sent in the permitted mode.
8. Electronic copy of the Notice of the 44th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any

member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Notice of the 44th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

9. Members may also note that the Notice of the 44th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website www.thirumalaichemicals.com for their download.
10. Members desiring any clarification on accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
11. The Equity shares of the Company are mandated for trading in the compulsory demat mode. The ISIN No. allotted for the Company's shares is INE338A01016.
12. Members / Proxies are requested to bring attendance-Slip along with their copy of Annual Report to the Meeting.
13. Voting through electronic means
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the Members to exercise their right to vote at the 44th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the meeting.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on July 18, 2017 at 3.00 pm (IST) and ends on July 21, 2017 at 5.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 15, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on July 21, 2017.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the 10 digits sequence number printed on the address slip in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for THIRUMALAI CHEMICALS LIMITED to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If demat account holder has forgotten the changed password then Enter the User ID and the image verification

code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed linked in the login to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- III. The Board of Directors has appointed Mr. Manoj Mimani of M/s. R.M. Mimani & Associates LLP, Company Secretaries (Membership No. ACS 17083) and failing him Mrs. Ranjana Mimani, Practicing Company Secretary (Membership No. FCS 6271) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
- IV. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- V. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.thirumalaichemicals.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges, where the shares are listed.

14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

II. a) Re-appointment of retiring Director: (item no. 3)

Mr. R. Sampath is the Director and Chairman of Ultramarine & Pigments Ltd, one of the promoters of our Company. He has nearly 50 years of experience in business operations and management in the US and in India.

Mr.R.Sampath holds 214,547 equity shares of the Company.

Apart from Mr.R.Sampath, Mr. R. Parthasarathy, Managing Director and Mrs. Ramya Bharathram Whole-time Director being relatives, are interested in the resolution set out at Item No. 3 of the Notice. The other relatives of Mr.R.Sampath may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

b) Ratification of appointment of Statutory Auditors for the financial year 2017-2018 and fix their remuneration: (item no. 4)

M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) were appointed as the statutory auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on July 29, 2016, to hold office from the conclusion of the Forty Third AGM till conclusion of the Forty Eighth AGM to be held in the year 2021.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification of the members is being sought for appointment of statutory auditors and fixing of their remuneration as per the proposal set out at item no. 4 of the Notice.

The Board commends the Resolution at item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

III. EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM No.5

Mr. Arun Ramanathan was appointed as Additional Director at the Board Meeting held on October 19, 2016 and retiring at this AGM. The Company has received notice in writing (together with a deposit as required under section 160 of the Companies Act, 2013) from a member signifying his intention to propose

the appointment of Mr. Arun Ramanathan (DIN 00308848) as Director of the Company in accordance with Section 152 of the Companies Act, 2013.

Mr. Arun Ramanathan is a retired IAS Officer of the Tamil Nadu Cadre (1973). 36 years in the IAS. Mr. Arun Ramanathan had held assignments in diverse areas with about half of the above in promotion or management of the industry. In GOI, his assignments included Secretary (Department of Chemicals, Petrochemicals and Pharmaceuticals), Secretary (Financial Services) and the Union Finance Secretary.

Mr. Arun Ramanathan holds Masters Degrees in Nuclear Physics from Andhra University, Business Administration from Madras University and Development Economics from Cambridge University. He is an Associate Member of the Institute of the Cost and Works Accountants of India.

Mr. Arun Ramanathan (DIN 00308848) has served on the Boards of over 35 companies including the State Bank of India, IDBI, LIC, ICICI, IIFCL, IDFC, ONGC, Shipping Corporation of India, National Textiles Corporation, ONGC Videsh, Titan Industries, Indian Clearing Corporation.

He is currently an Independent Director on the Board of Equitas Holdings Ltd, and Non-Executive Chairman of L&T Infra Debt Fund Ltd, and of Equitas Small Finance Bank.

Mr. Arun Ramanathan is not holding any shares of the Company.

The Board is of the opinion that Mr. Arun Ramanathan will be a valuable addition to your Board and he fulfills the conditions specified in the Companies Act, 2013 for his appointment as an Independent Director.

The Directors recommend the resolution set out at item.no. 5 of the accompanying notice for your approval.

Except Mr. Arun Ramanathan, none of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at Item no.5.

ITEM No.6

Mrs. Ramya Bharathram, whole-time Director of our Company, earlier handling the Speciality Chemicals businesses which she grew significantly in Size and Profitability, is presently managing New Projects and Strategic Initiatives. She is also handling corporate matters for the Company. She is 46 years. She has been working in these roles for the last nine years and has 19 years of experience in Marketing, Business Management, New Business Development, Customs & Excise and Trade Law.

She worked with M/s Lakshmi Kumaran & Sridharan, a leading Law firm in Direct Taxation and Antidumping & Safeguard and earlier worked in M/s Deloitte and Touche.

Mrs. Ramya Bharathram is a relative of Mr. R. Sampath – Director. She holds 23,696 equity shares of the Company. She is a Director on the Board of M/s Jasmine Limited, a NBFC Company registered with RBI, and a related Company.

The Directors recommend the resolution set out at item.no.6 of the accompanying notice for your approval.

Mrs. Ramya Bharathram and Mr. R. Sampath, Director and being a relative, are interested in the resolution set out at Item No. 6 of the Notice. The other relatives of Mrs. Ramya Bharathram may be deemed to be interested in the resolution set out at Item No.6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM No. 7

The Board at its meeting held on May 20, 2017, as recommended by the Audit Committee, appointed Mr. G. Sundaresan, Cost Accountant, as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for the Financial Year 2017-18 for a remuneration of ₹25,000/- in addition to reimbursement of out of pocket expenses.

As per Rule 14(a) (ii) of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditor has to be ratified by the Shareholders. Hence this resolution is placed for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 7. The Directors recommend the resolution set out at item.no. 7 of the accompanying notice for your approval.

Statement to be given under Part II, Section II (B) (IV) of the Schedule V of the Companies Act, 2013
I. General Information

- (1) Nature of Industry: The Company is into manufacture of Chemicals.
- (2) Date or expected date of commencement of commercial production: The Company commenced operations in the year 1974.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- (4) Financial performance based on given indicators: The financial performance of the Company is mentioned in the Director's Report and the Audited Accounts.
- (5) Export performance and net foreign exchange collaborations: The FOB value of exports during the year 2016-2017 is ₹1088.8Mn and the Company do not have any foreign collaboration.
- (6) Foreign investments or collaborations, if any: US\$ 6 Mn

II. Information about the appointee(s)
(1) Background details

Mrs. Ramya Bharatham, whole-time Director of our Company, is presently heading the New Projects & Strategic Initiatives and handling corporate matters for the Company. She is 46 years. She has been working in this role, for the last seven years and is having 19 years of experience in Marketing, Business Management, new Business Development, Customs & Excise and Trade Law.

2) Past Remuneration (for the last three years)

₹ in Mn

Year	2016-17	2015-16	2014-15*
Amount	14.57	10.23	5.49

* Part of the year.

The above figures include Company's Contribution to Provident Fund, Superannuation Fund, Provision for Gratuity and commission on Profits.

(3) Recognition or Awards: Nil
(4) Job profile and suitability

Mrs. Ramya Bharatham has considerable knowledge and experience in the Chemical Industry which is compatible with the Organizational requirements and the Company would definitely benefit from her guidance.

(5) Remuneration proposed:

The proposed remuneration of the appointee(s) as mentioned in the Explanatory Statement is within the limits specified in Schedule V of the Companies Act, 2013.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The proposed remuneration of the whole-time Director is commensurate with the position he occupies, size of your Company and as per the industry standards.

(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.

Mr. R. Sampath is a relative of Mrs. Ramya Bharatham, whole-time Director of the Company, who may be deemed to be interested in the resolution relating to the appointment of Mrs. Ramya Bharatham as whole-time Director.

III. Other information

- (1) Reasons of loss or inadequate profit: *There is no inadequacy of profit for the financial year 2016-17.*
- (2) Steps taken or proposed to be taken for improvement: *Increased sales margins, cost control & reduction, focus on working capital and interest management*
- (3) Expected increase in productivity and profits in measurable terms: *Productivity and profits are expected to increase in the coming years, subject to unforeseen circumstances.*

By Order of the Board
For Thirumalai Chemicals Ltd.

T.RAJAGOPALAN
Company Secretary

Registered Office:

Thirumalai House, Road No.29,
Sion-East Mumbai - 400 022.

May 20, 2017

Board of Directors



Mr. R. PARTHASARATHY is the Chairman & Managing Director of Thirumalai Chemicals Limited. He also served as Vice-President and President of the Indian Chemical Council from 2007-2011. He has managed Manufacturing, Technology Development, Marketing, and Business startups in India, Europe and the US.



Mr. R. SAMPATH is the Chairman of Ultramarine & Pigments Ltd. He has nearly 50 years of experience in the US and India, in business operations and management.



Mr. P. SHANKAR has served as the Chief Secretary of Tamil Nadu, and as Secretary to Government of India in the Ministries of Heavy Industry, Sugar, Food and Public Distribution, and Petroleum. He was Central Vigilance Commissioner of India, a senior Constitutional position. He is the Chairman of the CSR Committee of TCL.



Mr. A. JANAKIRAMAN retired as President – New Business (Petroleum) Reliance Industries Ltd., in 2010. He has worked in various capacities with Indian Oil Corporation, Herdilla Chemicals Ltd, Herdilla Polymers Ltd, Pasumai Irrigations Ltd, and Chemplast Sanmar Ltd. He is the Chairman of the Stakeholders Relationship Committee of TCL.



Mr. R. RAVISHANKAR has been a Global Sourcing Manager for Unilever PLC in London and the USA and General Manager – M&A in Hindustan Lever. He was a senior partner heading the M&A Division in Ernst & Young for 10 years from 1997-2007. For the last seven years he has been CEO of an independent consultancy that advises in M&A, Valuation and Investment Banking. He is the Chairman of the Audit committee of TCL.



Mr. N. SUBRAMANIAN has over 40 years of experience in the chemical industry in India and overseas. Mr. Subramanian has been member of the senior management in leading companies in India and East Asia, including Chemplast Sanmar, Atochem- Arkema, and others. He is the Chairman of the Business Review Committee of TCL.



Mr. RAJ KATARIA is an experienced Investment Banker with over 20 years in M&A and Capital Markets. He is on the TCL Business Review and Audit committees. He has significant expertise in Company Law and Corporate Structuring matters, most recently as Managing Director in DSP- Merrill Lynch. He is the Chairman of the Nomination & Remuneration Committee of TCL.



Mr. DHRUV MOONDHRA is an entrepreneur and CEO of Arcelor Mittal Dhamm Ltd. He has in depth experience in Steel Distribution, Trading and Manufacturing. He has also led business startups in the United Kingdom and India.



Mr. ARUN RAMANATHAN is a IAS Officer (Retd) & has held assignments in diverse areas in promotion or management of small, medium and heavy industry. His most recent positions were Secretary (Department of Chemicals, Petrochemicals & Pharmaceuticals), Secretary (Financial Services) and Union Finance Secretary (in 2009) in the Government of India. He is currently an Independent Director on several Boards and also member of the Advisory council to several organizations.

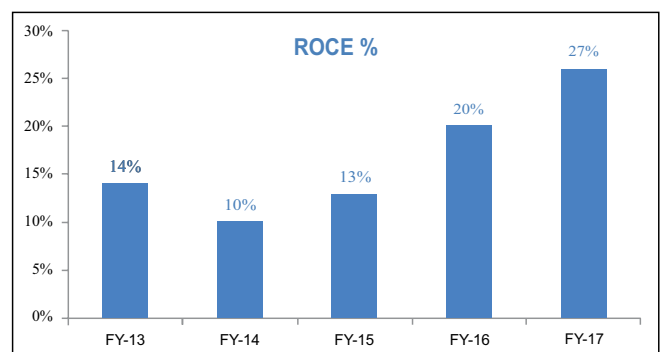
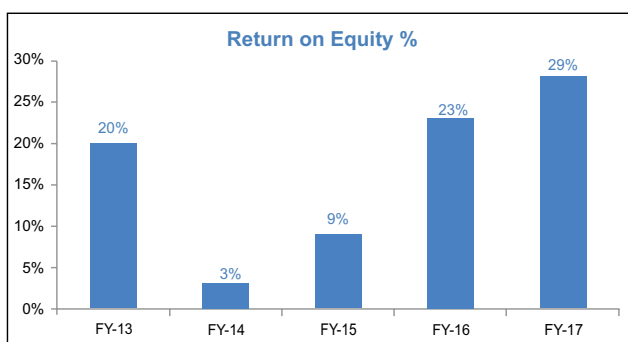
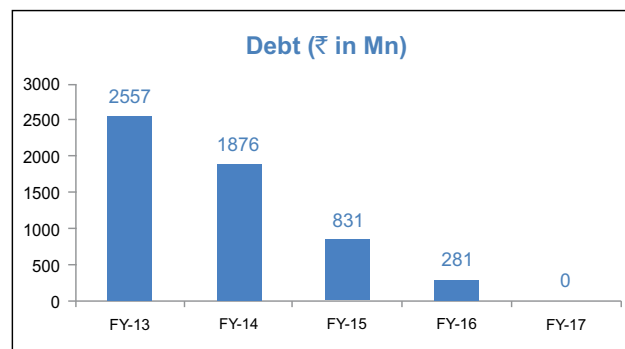
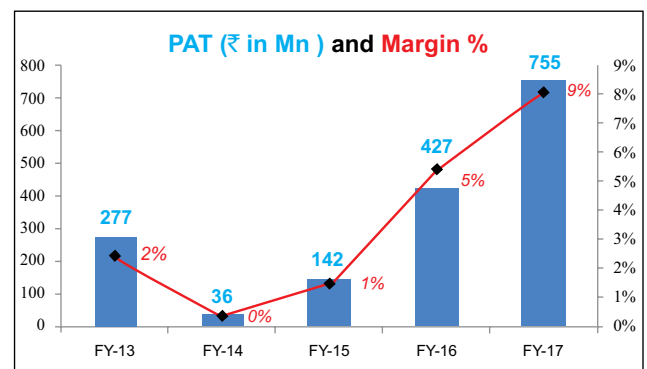
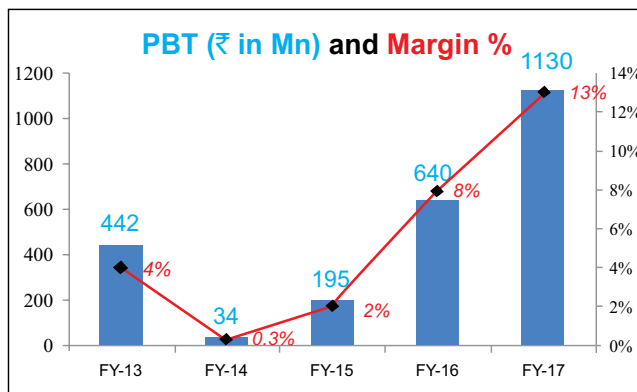
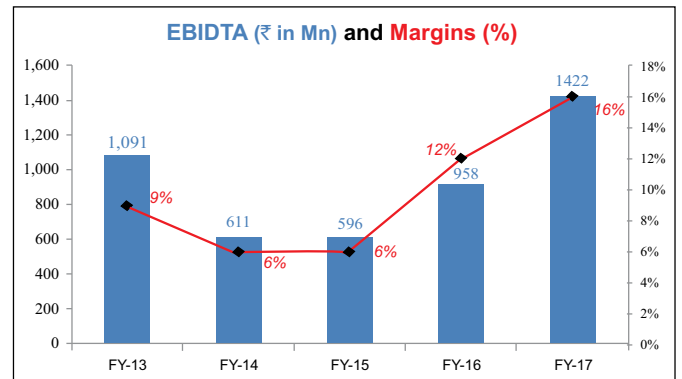
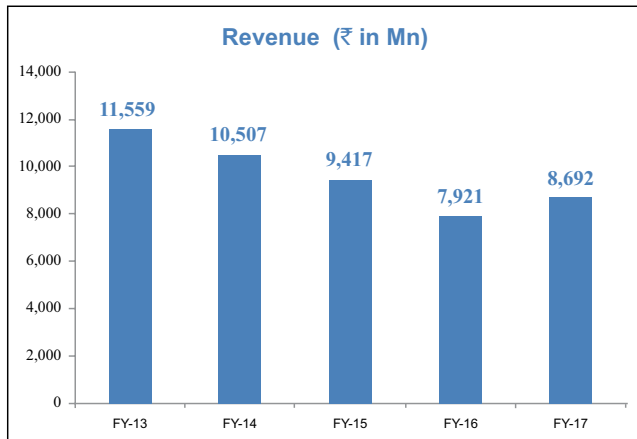


Mrs. RAMYA BHARATHRAM is an Executive Director of TCL. She heads strategy, and the Specialty Chemicals Businesses. She has over 19 years of experience in marketing, business management, new business development, customs & excise and trade defense. She worked for a leading law firm in India where she specialized in Trade policy and Indirect taxation. She worked for Deloitte and Touché.



Mr. P.M.C. NAIR is an Executive Director and has worked at TCL for 3 years as President (Mfg). Mr. Nair is a Chemical Engineer with 35 years of experience in various roles at Rashtriya Chemicals and Fertilizers Ltd (RCF). He was the Head of Operations and Profit Centre Head, before he joined TCL.

PERFORMANCE INDICATORS



BOARD OF DIRECTORS



*Standing L to R: Mr. P.M.C. Nair , Mr. Raj Kataria, Mr. Ravi Shankar, Mr. N. Subramanian,
Mr. Dhruv Moondhra, Mrs. Ramya Bharathram*

Seated L to R: Mr. R. Sampath, Mr. P. Shankar, Mr. R. Parthasarathy, Mr. A. Janakiraman, Mr. Arun Ramanathan.

SENIOR MANAGEMENT



Standing L to R: Mr. P. Krishnamoorthy (CFO), Mr. C. G. Sethuram (CEO) , Mr. S.V.S. Rama Raju (President)

Seated L to R: Mr. S. Venkatraghavan (Exec. VP), Mrs. Ramya Bharathram (ED), Mr. Sanjeev Gokhale (VP)

Message from Chairman

Dear Members,

I am extremely happy about your Company's performance during FY 2017 in spite of various challenges. Your Company faced a very competitive trading environment caused by the slowdowns in China and the EU, predatory dumping from distressed producers overseas and an increasingly complex regulatory framework.

I must acknowledge that the credit for your Company's performance despite prevailing challenges, goes to employees who demonstrated their competence and commitment.

Over the past few years we have undertaken various initiatives resulting in better systems & policies, tighter execution and greater competitiveness. These are structural and internal changes that will strengthen us greatly over the medium and long term. Our engagements with our Customers, Suppliers and Service providers have evolved into close relationships.

I see very positive signs in the country, which augur well for our Industry and your Company. An upwardly mobile and young population is creating significant growth and demand for better products and infrastructure.

We had manufacturing capacity constraints in certain products along with issues arising from older technology and plants in our commodity business. These are now being addressed.

Older equipment & systems are being replaced with newer ones with better technology which will help us work towards improved efficiency, quality and volumes.

We have become a zero debt Company and the entire capital expenditure for improvements and replacement of technology & equipment are being met from internal accruals.

The Marketing and Business teams have been strengthened and re-trained to handle the emerging challenges. The impact on our business of systemic volatility in our raw material prices has been partly corrected. These transformatory efforts will serve us well in the coming years.

Your Company has always been strong in water, energy & effluent management. Given the water shortage and the increasing demand for the same from local communities, your Company has decided to intensify work towards reducing water consumption sharply - a task that will continue over the next few years. This is an important effort to de-risk manufacturing operations and lessen any impact on the community.

Your Company's Subsidiary in Malaysia has completed a major revamp and expansion, although stabilization of operations has taken much longer than expected. The operations are now moving towards normalcy. The Subsidiary is now expanding into downstream higher value derivatives.

Since the very founding, your Company has taken great pride in providing active support to education, health and the empowerment of rural women and we continue the same through the Thirumalai Charity Trust (TCT), the Thirumalai Mission Hospital (TMH) and the Akshaya Vidya Trust (AVT).

Our Founders Mr. N.S. Iyengar and Mr. N.R. Swamy, laid great stress on doing business in an ethical and sustainable way. I am proud to say that as we grow, while the environment and our businesses and policies evolve and change, the values enunciated by our Founders remain core to us and our businesses.

Regards,

**R. Parthasarathy
Chairman & Managing Director**

Chennai
20th May 2017

DIRECTORS' REPORT

With Management Discussion & Analysis

To,

The Members

Thirumalai Chemicals Limited

Your Directors are pleased to present to you the Forty Fourth Annual Report & Audited Statement of Accounts of the Company for the year ended March 31, 2017. The Management Discussion and Analysis has also been incorporated into this report.

(₹ In Mn)

STANDALONE FINANCIAL RESULTS	Year Ended 31 Mar 2017	Year ended 31 Mar 2016
Revenue from Operations	8,614.7	7,804.4
Other Income	77.7	116.7
Total Revenue	8,692.4	7,921.1
Gross Profit / (Loss) before Interest, Finance Charges and Depreciation	1,422.1	957.7
Interest and Finance Charges	150.3	209.7
Profit / (Loss) before Depreciation and Tax	1,271.8	748.0
Depreciation	141.4	107.9
Profit / (Loss) before Tax	1,130.4	640.1
Provision for Tax	(390.0)	(235.0)
Profit / (Loss) after Tax	740.4	405.1
Add : Provision for Deferred Tax	14.2	22.2
Profit / (Loss) after Tax	754.6	427.3
Balance in Profit & Loss Account	971.8	667.8
Less : Adjustments related to Depreciation	0.0	0.0
Add : Profit / (Loss) for the year	754.6	427.3
Profit available for appropriation	1,726.4	1,095.1

- On a Net Revenue from operation of ₹ **8,614.7 Mn** (Previous Year: ₹ 7804.4 Mn)
- the Gross Profit of the Company amounted to ₹ **1,422.1 Mn** (Previous Year: ₹ 957.70 Mn).
- After providing for Interest & Finance charges, and Depreciation, the Profit after Tax is ₹ **754.6 Mn** (₹ 427.3 Mn in the previous year).
- The Net Revenue includes Export Earning (FOB) of ₹ **1,088.8 Mn** (Previous Year: ₹ 1023.8 Mn),
- and Other Income of ₹ **77.7 Mn** (Previous Year: ₹ 116.7 Mn),

Dividend

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a dividend of ₹ **18.75** per share for the year ended March 31, 2017 (previous year a total of ₹ 10 per share was paid by two interim dividends)

The final dividend on equity shares, if approved by the shareholders, would involve a cash outflow of ₹ **231.1 Mn**, including dividend taxes.

Subsidiaries

Tarderiv International Pte Ltd., Singapore is a 100 % investment subsidiary of your Company and it has a wholly owned step-down subsidiary, Cheminvest Pte Ltd. Singapore, which in turn owns 100% of Optimistic Organic Sdn. Bhd., Malaysia (OOSB) a manufacturing Company in Malaysia.

Business Performance

Your Company has improved its performance in 2016-17. The markets for our products were robust. We were able to make significant improvements in Business efficiencies and Margins, Costs, Working Capital management and Finance Charges. These have helped us improve profitability and Cash flows.

Indian demand for most products is growing steadily. We also see an increasing demand for better products & services, and in newer applications. We have responded proactively to these by better packaging, logistics & customer service, and product differentiation to help us retain and improve our market share.

Both within India and in our many overseas markets, Thirumalai Chemicals Limited is a respected and preferred supplier.

On the Trade front, the FTAs that India has signed in the last decade with ASEAN, Singapore, Thailand and South Korea have resulted in a ballooning of low priced imports of Phthalic Anhydride and many other products. Similarly over the past two years, our customers are faced by surging imports of their products - Plasticizers, Resins, Compounds. This is driven by desperate companies in countries having large surpluses – the result of slowdown of Chinese and Local demand. The Zero Duty on these products caused by the FTAs further supports them, at the expense of Indian manufacturing, jobs and deficits. India has become the natural dumping ground for surpluses at any price.

We are now working with the Government, with our Customers and Industry Associations to see how this can be addressed. The GOI has been very helpful and is deeply concerned.

Meanwhile, over the past few years we have made sustained efforts to improve competitiveness through a number of initiatives. Most of these have reached maturity. The steady improvement over the past few years and the positive results during the year is a result of these initiatives.

The Company is now far more resilient to fight competition, and to grow.

Phthalic Anhydride Business :

The business unit performed well.

We have had some growth in Phthalic Anhydride. But this was partly muted by the inverted duty structure between our Product and Raw material.

Largely due to active representations and work by us and our Industry, the Government in its recent Budget, reduced the

import duty for our main feedstock to Zero from 2.5% (this was earlier reduced from 5% to 2.5%). This has given us some relief. Your Company's successes in efficiency improvement and management of cost, volatility, and supply chain helped us mitigate these structural negatives. We managed to maintain and improve operating margins and cash flows.

We have touched on our plans for technology change, manufacturing revamp and capacity additions, later in this report.

Food Ingredients and Fine Chemicals:

The Food Ingredients and Fine Chemicals businesses also did well.

A first Phase expansion of these units was completed recently, and has reached full capacity.

Further increases are under execution this year.

Domestic marketing for these products has been strengthened and we have started on a programme of product customization and product differentiation to add value. These initiatives involve working closely with the customers so that we can satisfy their new and changing functional requirements.

This enables us to improve our customer base in these products globally, and forms the basis for our growth plans.

Subsidiary – Optimistic Organic Sdn Bhd., Malaysia:

Our Subsidiary M/s Optimistic Organic Sdn, Bhd., (OOSB) has completed its Maleic Anhydride expansion. As this was built within a functioning petrochemical plant, the plant went through a number of shutdowns which caused production and sales losses during the expansion works and start-up. The ramp up to full capacity has also been slow, affecting their performance during the year. In spite of loss of volumes their cash flows during the past years were decent and largely funded the expansion and refurbishment programme.

We now expect better performance from them during FY-18. The subsidiary is diversifying into downstream derivatives and value added products, which will make it stronger. The location of OOSB provides strong advantages in raw materials, utilities and logistics.

These plans are designed to dovetail with our growth strategies.

PROSPECTS , GROWTH & CHANGES

Our commodity (Phthalic Anhydride) business is often affected by market volatility and by the swings in costs & prices and of raw materials & products, and customer's business cycles.

We now manage our exposures and risks better. While volatility in prices, volumes and exchange rates cannot be eliminated, major policy and operational changes effected in the last few years have made us more resilient to withstand these surprises and lessened their impact on our volumes and margins.

On the capacity front, TCLs existing PA Plants are now quite mature and we have taken up a major refurbishment and CAPEX program. In a programme phased over the next 3 years, we will replace our older plants and systems. Our Plants will have the latest technology and equipment and will deliver improved efficiencies in raw materials, operating costs, reliability and quality.

All these will help ensure that we can ramp up production to serve our customers as they grow, and compete better in down cycles.

We will see the full results during the coming years.

In our **Food Ingredients and Fine Chemicals businesses**, we have a strong International presence in over 30 countries for the last 25 years , but were constrained by our capacity limitations in these products.

Their use in the Indian market has been growing in recent years, and will increase further as the market evolves.

With the significant expansions in progress, we are building a large & strategic presence in these value added products.

The second phase of expansion is moving ahead and we should be able to complete these by the end of the fiscal year.

Thus, over the next few years, in all products, your Company will see substantial increases in volumes.

Our developments in Technology, Engineering, and Products are based on internal initiatives built up over the past few years. These projects are managed and executed by internal teams of young professionals, supported by specialists and consultants.

Further strengthening of our Research and Development activities and the technology teams is underway.

We are upgrading our ERP systems, to improve our processes in Manufacturing, Procurement, Sales and Finance to speed up and refine business decision making, response and reporting.

These will also be useful for keeping pace with the changes in the Companies Act, SEBI, Internal Financial Controls, IND-AS and GST.

OUR PEOPLE

The good results you see this year have largely been the result of experienced, deeply motivated Management and Operating teams working closely with an effective Board. Over the last 5 years, your Company has revamped the Management structure and Teams completely. This helped bring in much needed competence and energy right through the organization - in Manufacturing, in Supply chain, Business and Marketing operations, and in Finance, Compliance and Regulatory management.

To sustain this and manage future growth, we are now focusing on people development and succession planning. At the Board and Committee level, these are receiving high attention along with growth and performance improvement.

On your behalf, we thank all our staff for their hard work and outstanding commitment to your Company.

ASSOCIATES

We work very closely with our Business associates namely – Customers, Suppliers, Distributors, Bankers, Service providers and many specialist Consultants. This has developed into rewarding and close relationships with all of them, which helps us in day-to-day operations and managing the many surprises and crises that are a normal fact of operating a Chemical manufacturing business in India.

BOARD AND MANAGEMENT

The Board of your Company consists of

- Chairman & Managing Director - Mr. R. Parthasarathy
- Two Executive Directors -
 - o Mr. P.M.C. Nair (*Dir. - Manufacturing & Projects*)
 - o Mrs. Ramya Bharathram (*Dir. - New Business and Strategic Initiatives*),
- Seven Independent Directors , and
- Mr. R. Sampath – Director & Chairman of Ultramarine and Pigments Ltd.

They are supported closely by

- Mr. C.G. Sethuram – *Chief Executive Officer*
- Mr. T. Rajagopalan - *Company Secretary*
- Mr. P. Krishnamoorthy, - *Chief Financial Officer*

And the Business Heads

- Mr. S.V.S Rama Raju - *President*
- Mr. S. Venkatraghavan - *Executive Vice President.*

Your Directors play a very active role in the Company. They bring in great expertise in Business Operations and Strategy, Technology, Finance & Accounting, Government Relations and Business management. Their suggestions, criticisms and advice to the Management team over the last 5 years, have helped the Company deliver strong performance and an excellent balance sheet.

The Committees in the Board, especially the Business Review Committee and the Audit Committee met often and participated intensely by setting goals, reviewing performance, correcting slippages and monitoring execution. The open attitude of the Executive Management team has been an important element in the success of this process.

The Nomination & Remuneration Committee, Stakeholders Relationship Committee and the Corporate Social Responsibility Committee have been active in their respective roles.

Further details of these are given in the Corporate Governance Report.

SOCIAL RESPONSIBILITY

“Social responsibility of business is not optional, but obligatory.” - N.S. Iyengar - Founder Chairman, Thirumalai Chemicals Limited

Your Company continues to play an important role in contributing to the welfare of the local communities. The Founders of your Company had set up the Thirumalai Charity Trust (TCT) and the Akshaya Vidya Trust (AVT).

The TCT, set up in 1970, actively works in Vellore district, providing services in Community Healthcare, Women’s Empowerment, Disability, De-addiction, and Village development.

The TCT operates the **Thirumalai Mission Hospital**, which provides primary healthcare in 315 villages, covering over 160,000 people. The Hospital includes both out-patient and in-patient services in the departments of General Medicine, Emergency, Intensive Medical Care, General Surgery, Pediatrics, Obstetrics, Gynecology, Orthopedics, E.N.T.,

Dentistry, Physiotherapy, De-addiction and Rehabilitation. With your Company’s support, the Thirumalai Mission Hospital has recently set up a separate center for Non-Communicable Diseases such as Diabetes, Thyroid disorders, Endocrinology, etc.

The Vedavalli Vidyalaya Schools (with 3 schools at 2 campuses), managed by the Akshaya Vidya Trust, have around 2,600 students, out of whom 70% are from rural families.

Industrial Relations:

Industrial Relations during the year under review continued to be very cordial.

Financial and Operating Performance:

Your Company achieved a Net profit of ₹ **754.6 Mn** compared to Net profit of ₹ 427.3 Mn in the previous year, a Gross Profit before Interest and Finance Charges and Depreciation of ₹ **1,422.1 Mn** (previous year ₹ 957.70 Mn) and a Profit Before Depreciation and Tax of ₹ **1,271.80 Mn** (previous year ₹ 748.0 Mn).

Finance

All taxes and statutory dues have been paid on time. Payment of interest and installments to the Financial Institutions and Banks are being made as per schedule. Your Company has not collected any Fixed Deposit during the Financial Year.

Contribution to the Exchequer:

The amounts paid to the Central and State Exchequer by way of Excise Duty, Sales Tax, Customs duties (incl. paid to supplier), Income Tax , etc., is about ₹ **1,571.5 Mn** on Gross Sales of about ₹ **8,614.7 Mn** .

Contribution to the Exchequer is about **18 %** of your Company’s Sales

Exports:

Calculated on FOB basis, Exports amounted to ₹ **1,088.8 Mn** (previous year ₹ 1,023.8 Mn)

Particulars of loans, guarantees or investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Related Party Transactions

All transactions entered into with Related Parties (as defined under the Companies Act, 2013) during the financial year were in the ordinary course of business and on an Arm’s length pricing basis, and do not attract the provisions of Section 188 of the Companies Act, 2013 and were within the ambit of clause 23 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. There were no materially significant transactions with related parties during the financial year which were in conflict with the interests of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company’s website.

Directors' Responsibility Statement:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- We have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- We have prepared the annual accounts on a going concern basis.
- Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Business Risk Management

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks. Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Business Risk Management Committee and the details of the Committee are as under:

Sl. No.	Name of member	Category
1	Mr. Dhruv Moondhra	Independent Director
2	Mr. R. Parthasarathy	Managing Director
3	Mrs. Ramya Bharathram	Executive Director
4	Mr. C.G.Sethuram	Chief Executive Officer
5	Mr. P.M.C. Nair	Executive Director
6	Mr. P.Krishnamoorthy	Chief Financial Officer

Vigil Mechanism / Whistle Blower Mechanism

The Company has a vigil mechanism to deal with instances of fraud and mismanagement, if any. The details of the Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

Corporate Social Responsibility (CSR) Committee

The Committee recommended continuing support for the Thirumalai Charity Trust's Health and Rural development projects.

The composition of the Corporate Social Responsibility Committee is given below:

Sl.No.	Name of Director	Category
1	Mr. P. Shankar	Independent Director
2	Mr. Raj Kataria	Independent Director
3	Mr. R. Sampath	Director

A detailed note is given in the Corporate Governance report.

Total Expenditure on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

The Company's total spending on CSR is **2.05 %** of the average net profit in previous three financial years towards Health and Education Programmes.

Statement pursuant to Listing Agreement

Your Company's shares are listed with the National Stock Exchange of India Ltd. and the BSE Ltd. We have paid the annual listing fees and there are no arrears.

Report on Corporate Governance

A Report on Corporate governance is annexed herewith. The Auditors' Report on the same is also annexed. An extract of annual return and Secretarial Audit report are attached as required u/s 134 of the Companies Act, 2013.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board carries out the annual performance evaluation of its own performance, of the Directors individually as well as the evaluation of working of its various Committees. A structured questionnaire is prepared after taking into consideration the inputs received from Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, Execution and Performance of specific duties, obligations and governance.

A separate exercise is carried out to evaluate the performance of individual Directors including the Chairman of the Board, who are evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and of its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors is carried out by the Independent Directors who also review the performance of the Secretarial Department.

The Directors expressed their satisfaction with the evaluation process.

Appraisal of Board's performance

It includes setting individual and collective roles and responsibilities of its Directors, creating awareness among Directors about their expected level of performance and thereby improving the effectiveness of the Board. Board evaluation contributes significantly to improved performance and aims at,

- Improving the performance of Board towards corporate goals and objectives.

- Assessing the balance of skills, knowledge and experience on the Board.
- Identifying the areas of concern and issues to be focused on for improvement.
- Identifying and creating awareness about the role of Directors individually and collectively as Board.
- Building Team work among Board members.
- Effective Coordination between Board and Management.
- Overall growth of the organization

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up by your Company to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Since the number of complaints filed during the year was Nil, the Committee prepared a Nil complaints report.

Statutory Auditors

M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) were appointed as the statutory auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on July 29, 2016, to hold office from the conclusion of the Forty Third AGM till conclusion of the Forty Eighth AGM to be held in the year 2021.

Internal Auditors

The Internal Auditors M/s. M.S. Krishnaswamy & Co have played an important role in strengthening the Systems and internal Controls within the Company. The Company's System Auditors M/s. Aneja Associates also contributed significantly in improving the System Operating Procedures.

Cost Auditors

Mr. G. Sundaresan, Cost Accountant, was appointed as Cost Auditor to conduct cost audit of the cost records maintained by our Company in respect of products manufactured during the Financial Year 2016-17. The Cost Audit Report was filed with MCA, Government of India, by the Company on August 02, 2016, well before September 30, 2016, the due date of filing for the Financial Year 2015-16.

Secretarial Audit

The Board appointed M/s. R.M. Mimani & Associates LLP, Company Secretaries, to conduct Secretarial Audit for the Financial Year 2016-17. The Secretarial Audit Report for the Financial Year ended March 31, 2017 is attached to this Report. The Secretarial Audit Report does not contain any qualification, or reservations or adverse remark.

Extract of Annual Return

Extract of Annual Return of the Company for the year ended March 31, 2017 is attached to this Report

Personnel

In terms of the provisions of section 197(12) of the of the Companies Act, 2013 read with the rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the names and other particulars of employees are set out in the *Annexure A to the Directors' report*.

PARTICULARS PURSUANT TO SECTION 197(12) AND THE RELEVANT RULES OF THE COMPANIES ACT, 2013:

a) The ratio of the remuneration of each Director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Name of Director Ratio

1. Mr. R. Parthasarathy (Managing Director) 87.23 : 1
 2. Mrs. Ramya Bharathram (Executive Director) 45.89 : 1
 3. Mr. P. Mohana Chandran Nair (Executive Director) 12.76 : 1
- For this purpose, Sitting fees paid to the Directors have not been considered as remuneration.

b) The percentage increase in remuneration of Managing Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

Mr. R. Parthasarathy (Managing Director)	: NIL
Mr. P. Krishnamoorthy (Chief Financial Officer)	: 44%
Mr. T. Rajagopalan (Company Secretary)	: 28%

- c) The percentage increase in the median remuneration of employees in the financial year : 9.38%
- d) The number of permanent employees on the rolls of Company : 418
- e) The explanation on the relationship between average increase in remuneration and Company performance:

The Company's PAT has grown from ₹ 427.3 Mn to ₹ **754.6 Mn**, an increase of 76% against which the average increase in remuneration is 10.23%; and this increase is aligned with the Compensation Policy of the Company.

f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Name	Designation	Remuneration IN ₹	% Increase In Remuneration	PAT ₹ in Mn	% Increase in PAT
Mr.R. Parthasarathy	Managing Director	27,703,527	NIL	740.4	76
Mr.P. Krishnamoorthy	Chief Financial Officer	4,790,600	44		
Mr. T. Rajagopalan	Company Secretary	2,651,870	28		

* It consists of Salary/Allowance & Benefits.

The remuneration of the Managing Director Mr. R. Parthasarathy includes the commission of ₹ 10 Mn, which works out to approximately 1.33 % to the net profit for the Financial Year ended March 31, 2017.

It may be noted that the increase in the remuneration is mainly due to the significant increase in Net Profit, and commission as a result.

As per the Compensation Policy, the compensation of the key managerial personnel is based on various parameters including Internal Benchmarks, External Benchmarks, and Financial Performance of the Company.

- g) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Date	Issued Capital (No. of Shares)	Closing Market Price per share ₹	EPS in ₹	PE Ratio	Market Capitali- sation (₹ in Mn)
31.03.2016	10,238,812	179.95	41.73	4.31	1,842.50
31.03.2017	10,238,812	883.35	73.71	11.98	9,044.50
Increase / (Decrease)	NA	703.40	31.98	7.67	7,202.00
% of Increase/ (Decrease)	NA	390.89	76.64	177.96	390.88
Issue Price of the share at the last Public Offer (IPO)		10			
Increase in market price as on 31.03.2017 as compared to Issue Price of IPO		873.35			
Increase in %		8,733.50			

- h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration is **9.38 %** for Employees other than Managerial Personnel & **37.98 %** for Managerial Personnel (KMP and Senior Management)

- i) The key parameters for any variable component of remuneration availed by the Directors:

Except for Mr. R. Parthasarathy (*Managing Director*), Mrs. Ramya Bharathram (*Executive Director*) and Mr. P. Mohana Chandran Nair, (*Executive Director*), no Directors have been paid any remuneration, as only sitting fees are paid to them. The said Directors have not been paid any variable remuneration. The Directors are eligible for a commission on Net Profits subject to the approval of the Shareholders at their meeting held on July 5, 2013.

- j) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: **Not Applicable**

- k) If remuneration is as per the remuneration policy of the Company: **Yes**

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars required to be included in terms of Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure-B.

Cautionary Statement

Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation, plant breakdowns, industrial relations, etc.

Acknowledgements

The Directors would like to place on record our sincere appreciation for the continued support given by the Banks, Internal Auditors, Government Authorities, Customers, Vendors, Shareholders and Depositors during the period under review. The Directors also appreciate and value the contributions made by the employees of our Company at all levels.

For and on behalf of the Board of Directors

Chennai

R. Parthasarathy

R. Ravishankar

20th May 2017

Managing Director
(DIN:00092172)

Director
(DIN:01224361)

ANNEXURE TO DIRECTORS' REPORT

(₹ In Mn)

CONSOLIDATED FINANCIAL RESULTS	Year ended 31.03.2017	Year ended 31.3.2016
Revenue from Operations	10,327.5	9,441.7
Other Income	41.4	51.9
Total Revenue	10,368.9	9,493.6
Gross Profit / (Loss) before Interest and Finance Charges and Depreciation	1,621.4	1,030.3
Interest and Finance charges	167.3	230.6
Profit / (Loss) before Depreciation and Tax	1,454.1	799.7
Depreciation	361.9	251.0
Profit / (Loss) before Tax	1,092.2	548.4
Provision for Tax	(391.6)	(236.0)
Profit / (Loss) after Tax	700.6	311.9
Add : Provision for Deferred Tax	4.8	9.7
Profit / (Loss) after Tax	705.4	321.6

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ In Mn)

S. No	Name of the Subsidiary	Reporting Currency	Rate	Capital	Reserve	Total Liabilities	Investment other than in Subsidiary	Turnover	Profit / (loss) before taxation	Profit / (loss) after taxation	Proposed Dividend
1	Tarderiv International Pte Ltd	USD	64.84	32.4	63.5	529.0	-	19.7	9.7	9.1	-
2	Cheminvest Pte Ltd	USD	64.84	26.2	(18.9)	599.4	-	18.6	(1.8)	(2.5)	-
3	OOSB	USD	64.84	202.6	319.6	1,976.3	-	1,866.5	(3.4)	(12.6)	-
4	Lapiz Europe Ltd	GBP	80.88	0	(0.2)	1.0	-	0.8	(0.1)	(0.1)	-

Annexure-A
Reporting of Corporate Social Responsibility (CSR)

- *Period for which CSR is being reported : From 01/04/2016 to 31/03/2017
- *Whether information includes information about subsidiary Company(s): No
 - If yes, then indicate number of such subsidiary Company(s): NA
- *Whether information includes information about any other entity(s) : No (eg. Supplies, value chain, etc)
 - If yes, then indicate number of such entity(s): NA
- *Does the Company have a written CSR Policy : Yes
 - Brief contents of the CSR Policy : The areas of principal support of the CSR Policy are towards Education, Health, Women Empowerment and Community development services. The full policy is available in the Company's website <http://www.thirumalaichemicals.com>
- The Composition of the CSR Committee:-

S.No.	Name of the Director	Category
1.	Mr. P. Shankar	Independent Director
2.	Mr. Raj Kataria	Independent Director
3.	Mr. R. Sampath	Director

- Average net profit of the Company for the last three years: ₹ 293,376,004/-
- Prescribed CSR Expenditure (min. two percent of the amount as in item 6 above): ₹ 5,867,520

8. Details of CSR spent during the Financial Year:-

- Total amount spent for the Financial Year : ₹ 6,000,000
- Amount unspent, if any : NA
- Manner in which the amount spent during the Financial Year is detailed below:-

S. No	CSR Project or Activity Identified	Sector in which the Project is covered	Project or Program 1) Local Area or Other 2) Specify the State and district where project or program was undertaken	Amount of Outlay (Budget) Project or Program-wise (₹)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs 2) Overheads (₹)	Cumulative Expenditure up to the reporting period i.e. FY 2016-2017 (₹)	Amount Spent Direct or through Implementing Agency
1	Health	Primary and Secondary Healthcare	Vellore District, Taminadu	6,000,000	6,000,000	20,000,000	Thirumalai Charity Trust

9. RESPONSIBILITY STATEMENT : The CSR Committee confirmed that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-

Mr. R. Sampath

Director (DIN:00092144)

Sd/-

Mr. P. Shankar

Director (DIN:01638317)

Annexure B

Statement of particulars under section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31,2017 and forming part of the Directors' Report.

S.L. No.	Name ^s	Designation	Qualification(s)	Age	Date of Commencement of Employment	Total Experience	Nature of Employment, Whether Contractual or Otherwise	Nature of Duties of The Employee	Gross Remuneration ₹ in Mn	Previous Employment / Designation
1.	Mr. C. G.Sethuram	Chief Executive Officer	B.Tech., PGDM	61 Yr	12 th August 2013	38 years	Contractual	General Management	20.69	ED (emerging business), Archeon Group
2.	Mr.S.V.S. Rama Raju	President	B.Tech., Chem Eng.	57 Yr	11 th August 2014	34 years	Contractual	General Management	9.69	President – Operations Nagarjuna Agrichem Ltd
3.	Mr. S. Venkatraghavan	Executive Vice President	M.Sc, M.Tech , MBA,	56 Yr	16 th July 2014	27 years	Contractual	General management	6.83	Executive Vice President – Sales & Marketing Cabot Sanmar Ltd.

\$ No shares are held by them and are not relatives of any Director or Manager or KMP.

Annexure C

INFORMATION AS PER Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 and forming part of the Directors' Report.

CONSERVATION OF ENERGY:

Your Company continues to focus on Conservation of Energy and considers it very important for efficient use of energy.

	Fuel Consumption	Units	Year Ending 2016 – 2017	Year Ending 2015 - 2016
1	Electricity			
a)	Purchased Units	KWHR	3,821,700	3,274,620
	Total Amount Paid	₹	33,102,561	29,951,615
	Rate per Unit	₹	8.66	9.15
b)	Own Generation	KWHR	2,517,866	1,090,477
	Unit / Ltr of HSD	KWHR/LTR	3.11	2.45
	Cost per Unit	₹	17.94	20.04
2	Coal : Not consumed in the process	KWHR	Nil	Nil

	Fuel Consumption	Units	Year Ending 2016 – 2017	Year Ending 2015 - 2016
3	Furnace Oil			
	Total Quantity	KL	7,092	5,714
	Total Amount	₹	177,355,646	123,039,629
	Average Rate	₹	25,009	21,535
4	Other Internal Generations	KWHR	25,861,192	24,187,661
5	Consumption Per Tonne of Production			
	Electricity	KWHR	31.94	27.76
	Furnace Oil	Ltr	59.28	48.43
	Others (Diesel)	Ltr	6.77	3.77

II. Technology Absorption, Adaptation and Innovation.

Research and Development

- 1) Specific Areas in which R & D activities carried out by our Company.
 - a) Reduction in Input use including Raw Materials, Chemicals, Energy and Water.
 - b) Reduction in effluent generation from each production plant.
 - c) Improving the quality of our products viz., developing process improvements for implementation in the Plant towards the above.
- 2) Benefits derived as a result of above effects.
 - a) Improvement of yield in the plants.
 - b) Improvement in quality of products.
 - c) Significant Energy, Water, Chemicals Reduction in our Derivatives Plants.
- 3) Future plan of action.
 - a) Technology development to enable higher capacity utilization, debottlenecking and lower Input use.
- 4) Capital Expenditure on R & D (₹ in Mn)

	Particulars	2016-17	2015-16
a)	Capital	0.07	NIL
b)	Recurring	27.10	18.3
c)	Total	27.17	18.3
	Total R&D expenditure as a % of sales	0.32 %	0.23%

5. Technology Absorption, Adaptation and Innovation:
 - a) Efforts in brief towards absorption, adaptation and innovation. The technologies required for better products applications and better quality have been adapted and are being developed / improved indigenously.
 - b) Benefits derived as a result of the above efforts.
 - c) Improvement in the quality of the products, increase productivity and reduced cost of production in all products.
 - d) Particulars of Technology imported during the last 5 Years: None.
 - e) Techno-commercial studies of fine chemicals
 - f) Food acidulants- awareness to customers, technical services to users of our products.

III) Foreign Exchange Earning and Outgo

(₹ in Mn)

	2016-17	2015-16
Export earnings	1,088.8	1,023.8
Outgo	796.05	351.5

For and on behalf of the Board of Directors

Mumbai,
20th May 2017

R. Parthasarathy
Managing Director
(DIN : 00092172)

R. Ravishankar
Director
(DIN:01224361)

CORPORATE GOVERNANCE REPORT 2016-17

[as required under schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that ethical and fair behavior is as important in Business as in Personal life, and that all our policies and actions must be grounded in this – that we are a member of the communities we live and work in as individuals and as a Company and have a responsibility to be fair, decent and avoid causing harm.

This will help the Company achieve its goals of maximizing value to the shareholders and simultaneously fulfill its obligations to the other stakeholders such as customers, vendors, employees and to the society in general.

The Company recognizes that strong Corporate Governance is indispensable to resilient and vibrant capital markets and is therefore an important instrument of investor protection.

The Company continues to remain committed to a corporate culture of conscience and consciousness, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

BOARD OF DIRECTORS

Your Company's Board of Directors ("Board") decides the policy and strategy for the Company and has the overall superintendence and control over the management of the Company. They also ensure that good corporate governance policies and practices are implemented in the Company. In the course of discharging their duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

a) Board Composition:

- 1) The Board of Directors of your Company presently comprises of a Chairman & Managing Director, two Executive Directors and eight Non-Executive Directors.
- 2) All Directors other than Mr. R. Sampath, Mrs. Ramya Bharathram, Mr. R. Parthasarathy and P. Mohana Chandran Nair are independent Directors. Mr. R. Sampath is the brother of Mr. R. Parthasarathy (CMD) and the Father of Mrs. Ramya Bharathram (ED).

b) Board Meetings:

The Board meets regularly at quarterly intervals and holds additional meetings as and when appropriate and needed. Four meetings of the Board of Directors were held during FY-17 on 14th May 2016, 29th July 2016, 19th October 2016, and 28th January 2017. All operational and statutorily required information was placed before and significant events reported to the Board.

The Company Secretary, in consultation with the Managing Director, drafted the agenda of the meeting(s). Agenda papers along with relevant details were circulated to all Directors, well in advance of the date of each Board meetings.

Minutes of the Board meetings were prepared by the Company Secretary with details of decisions reached, any concerns raised and dissenting views expressed. The draft minutes were sent to all Directors within a reasonable time after each meeting for their comments before being formally signed by the Chairman of the meeting. Copies of the final version of minutes of the Board meetings were sent to the Directors for information and record.

The details of attendance of each Director at the four Board Meetings held during the financial year 2016-2017, at the last AGM and other particulars of Directorships are given below:-

Name of the Director	Attendance at		No. of Directorships in Other Public Companies	Board Sub-Committees (Audit Committee and Stakeholders Relationship Committee)	
	Board Meetings	Last AGM		Membership	Chairmanship
Mr. R. Parthasarathy ¹	4	Yes	1	-	-
Mr. A. Janakiraman	4	Yes	1	1	1
Mr. P. Shankar	4	Yes	2	3	1
Mr. N. Subramanian	4	Yes	1	1	-
Mr. Raj Kataria	4	Yes	2	3	1
Mr. R. Ravishankar	4	Yes	-	1	1
Mr. Dhruv Moondhra	4	Yes	-	-	-
Mr. S. Santhanam ²	2	Yes	1	-	-
Mr. R. Sampath	3	Yes	1	2	-
Mrs. Ramya Bharathram	4	Yes	1	-	-
Mr. P. Mohana Chandran Nair	4	Yes	-	-	-
Mr. Arun Ramanathan ³	2	NA	3	2	1

¹ Chairman & Managing Director

² Ceased to be a Director from July 29, 2016

³ Inducted as Additional Director on October 19, 2016

c) Remuneration of Directors:

The remuneration paid to the Managing Director and the Whole-time Directors is within the ceilings as per the resolutions approved by the shareholders and prescribed under the Schedule V to the Companies Act, 2013.

Details of remuneration paid to the Managing Director and the Whole-time Directors during the year ended March 31, 2017 are:

Name	Position	Salary ₹	Commission ₹	Contribution to P.F. and other Fund ₹	Perquisites ₹	TOTAL
Mr. R. Parthasarathy	Managing Director	16,200,000	10,000,000	1,446,000	57,527	27,703,527
Mrs. Ramya Bharathram	Whole-time Director	8,400,000	3,600,000	654,000	1,918,940	14,572,940
Mr. P. Mohana Chandran Nair	Whole-time Director	3,390,672	-	521,760	139,853	4,052,285

Sitting fees is payable to the Non-Executive Directors for attending Board and eligible Committee meetings. The Non-Executive Directors are also paid commission on an annual basis, in such proportion as was decided by the Board, and the total commission payable to such Directors did not exceed 1% of the net profits of the Company.

The sitting fees paid to the Non-Executive Directors are as under:

Sitting fees paid to the Non-Executive Directors (Financial Year 2016-17)

Name of the Director	Sitting fees paid (₹)
Mr. P. Shankar	540,000
Mr. A. Janakiraman	480,000
Mr. N. Subramanian	840,000
Mr. Raj Kataria	540,000
Mr. R. Ravishankar	840,000
Mr. Dhruv Moondhra	600,000
Mr. Arun Ramanathan	180,000
Mr. R. Sampath	480,000
Mr. S. Santhanam	120,000

d) Details of the Shares held by Non-Executive Directors as on March 31, 2017

Name of the Director	No. of Shares held*
Mr. R. Sampath	491,310
Mr. Raj Kataria	50

* Incl. Trust holdings

BOARD COMMITTEES

The Board delegates its powers and authorities from time to time to committees in order to ensure that the management and operations of the Company are handled efficiently and as per policies; and relevant expertise.

Currently, the Board has Six Committees: the Audit Committee, the Stakeholder Relationship Committee, the Business Review Committee, the Nomination & Remuneration Committee, the Corporate Social Responsibility Committee and the Investment, Finance and Banking Committee.

Three/fourth of the Members of each Committee are Independent Directors.

a) AUDIT COMMITTEE:

The Composition of the Audit Committee of the Company meets with the requirements of Section 177 of the Companies Act, 2013 and as required under Reg. 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. R. Ravishankar	Independent Director & Chairman	4
2.	Mr. P. Shankar	Independent Director	4
3.	Mr. N. Subramanian	Independent Director	4
4.	Mr. Raj Kataria	Independent Director	4
5.	Mr. R. Sampath	Director	3

Four Meetings of the Audit Committee of the Board of Directors were held during the year 2016-17 on 13th May 2016, 23rd July 2016, 19th October 2016 and 28th January 2017.

The Objectives of the Audit Committee are as follows :

- Assisting the Board in its responsibility for overseeing the processes related to the financial accounting, auditing and reporting practices of the Company and its compliances with legal and regulatory requirements, the audits of the Company's financial statements and shall, *inter alia*, include, the recommendation for appointment, remuneration and terms of appointment of auditors of the Company; review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon
- Approval or any subsequent modification of transactions of the Company with related parties; scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary; evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing the Company's financial reporting process.
- Reviewing the Quarterly and Annual results before it is considered by the Board of Directors, the Group Company transactions, Internal Auditors Report and the Action Taken Report thereon.

Besides its regular responsibilities, your Company's Audit Committee also carried out the following specific tasks:

- Reviewing the :
 - o Internal Audit plan of the Company for FY2018 , the Internal Audit reports prepared by the Group Audit and Risk Assurance Department of the Company ("GARA"), reviewing the Audit plans of external Auditors and their remuneration
 - o Performance, Constitution and Terms of Reference of the Audit Committee
 - o Company's programs on Bank Charges / Commitment charges and helped to review the system to streamline and speed up collection of C, F and H Forms.
 - o Plans for Improvement of ERP system
 - o GST readiness of the Company.
- Compliance with IND AS Programme
- Implementation of Forex Policy in the Company
- Making recommendation on the re-appointment of the external auditor
- Recommended to the Board to make investments of the short-term surplus funds of Company in the units of Liquid Funds of Mutual Funds

B) **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee comprises of the following members:

S.No	Name of the Director	Category
1.	Mr. A. Janakiraman	Independent Director & Chairman
2.	Mr. Raj Kataria	Independent Director
3.	Mr. R. Sampath	Director

The Stakeholders Relationship Committee deals with the following matters :

- Monitoring expeditious redressal of Investor Grievance matters received from Stock Exchanges, SEBI, ROC etc.
- Monitoring redressal of queries/complaints received from shareholders relating to Transfers, non-receipt of Annual Report, dividend etc.
- Any other matters related to share transfers.

Mr. T. .Rajagopalan has been the Company Secretary and Compliance Officer from 15th May, 2012.

During FY-17 , the work carried out by Stakeholders Relationship Committee includes :

- Prompt resolution of all queries/complaints from Shareholders and Investors.
- The process of share transfer was delegated to an R&T and is carried out in compliance with the Listing Agreement which will be confirmed and ratified by the Board at each subsequent meeting.
- It may be noted that that the shareholding in dematerialized mode as on 31st March, 2017 was 96.85 %.

C) BUSINESS REVIEW COMMITTEE:

The Business Review Committee comprises of the following members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. N. Subramanian	Independent Director & Chairman	4
2.	Mr. A. Janakiraman ¹	Independent Director	2
3.	Mr. Ravishankar	Independent Director	4
4.	Mr. Dhruv Moondhra	Independent Director	4
5.	Mr. R. Sampath ²	Director	2

¹ Ceased to be a member from 19th October 2016

² Inducted as member from 19th October 2016

Four meetings were conducted during 2016-17 on 27th April 2016, 23rd July 2016, 17th October 2016 and 31st March 2017

The objectives of the Business Review Committee are :

- Setting and approving performance goals & important details for each business unit, and overall for the Company.
- Reviewing, discussing and critiquing the Performance of all Business Units with the Management team of the Company ; Reviewing performance with respect to the Budgets and Plans.
- Discussing and reviewing market & product development, working capital management, supply chain, business volatility and forecasts ; reviewing the growth strategy and implementation.
- Advising and guiding the Management team on implementation, especially relating to specific issues and midterm corrections.

Besides the above matters, during FY-17 , the Business Review Committee specifically :

- Reviewed and recommended the upgradation of Plants and the Capex involved.
- Reviewed the execution plans of ongoing projects.
- Reviewed logistics cost initiative by the Company
- Fixed various Operational and Financial Targets for the Company for the Financial Year 2017-18.

D) NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee comprises of the following members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Raj Kataria	Independent Director & Chairman	2
2.	Mr. N. Subramanian	Independent Director	2
3.	Mr. R. Sampath	Director	2

Two meetings were conducted during 2016-17 , on 14th May 2016 and 18th October 2016.

The function of the Nomination and Remuneration Committee includes :

- Identifications of persons who are qualified to become Directors and who may be appointed to Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and also recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Review and make recommendations to the Board Company's policy and structure for remuneration of Directors and towards establishment of a formal and transparent procedure to determine such remuneration
- Make recommendations to the Board on the remuneration packages, including benefits in kind, pension rights and compensation payments, of individual Executive Directors

During FY-17 , the work carried out by the Nomination and Remuneration Committee was :

- Reviewed the structure of the Board , and the independence of independent non-executive Directors
- Made recommendations in relation to the re-appointment of the retiring Directors and appointment of the Chief Executive Officer
- Reviewed the remuneration policy & structure for Directors and Senior Management
- Made recommendations to the Board regarding the Directors' fee and other allowances for FY 2017-18
- Determining the remuneration of Senior Management.
- Made recommendation in relation to the remuneration for the Chief Executive Officer & Executive Directors.

Criteria for evaluation of performance of independent Directors and the Board of Directors

Specific Criteria for evaluation of performance of independent Directors

- Participation and contribution by a Director;
- Commitment, including guidance provided to the Senior Management outside of Board/ Committee Meetings;
- Effective deployment of knowledge and expertise;
- Effective management of relationship with various stakeholders;
- Independence of behavior and judgment.
- Maintenance of confidentiality of critical issue

e) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee comprises of the following members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. P. Shankar	Independent Director & Chairman	1
2.	Mr. Raj Kataria	Independent Director	1
3.	Mr. R. Sampath	Director	1

One meeting was conducted during 2016-17 on 18th October 2016,

The Committee formulates CSR policy to undertake social activities as specified under Schedule VII of the Companies Act, 2013 for approval of the Board. The Committee recommends spending on the approved CSR activities and monitors the spending and performance of such activities.

During FY-17, based on the recommendation of the CSR Committee, your Company made a donation of ₹ 6,000,000 to the Thirumalai Charity Trust during the FY17.

f) INVESTMENT, FINANCE AND BANKING COMMITTEE:

The Investment, Finance and Banking Committee comprises of the following members:

S.no	NAME OF THE DIRECTOR	CATEGORY	No. of Meetings Attended
1.	Mr. R. Parthasarathy	Managing Director & Chairman	2
2.	Mr. R Ravishankar	Independent Director	2
3.	Mr. Raj Kataria	Independent Director	-

Investment, Finance and Banking Committee is being constituted to invest in securities listed in any Indian Stock Exchange or in any other suitable investments as deemed fit and to avail/change credit facilities/limits from any bank/ of consortium banks.

Familiarization programmes for Directors

Details of the programmes has been disclosed on the Company's website <http://www.thirumalaichemicals.com>

Policy on Material Subsidiary

The details of the policy has been disclosed on the Company's website <http://www.thirumalaichemicals.com>

Policy on Related Party Transactions

The details of the policy have been disclosed on the Company's website <http://www.thirumalaichemicals.com>

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

Criteria of selection of Non-Executive Directors

- The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.

Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. A Non-Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the N&R Committee;
- iii. In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director. The total commission payable to the Directors shall not exceed 1% of the net profit of the Company;

Managing Director/Whole-time Directors - Criteria for selection / appointment

For the purpose of selection of the Managing Director/Whole-time Directors, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the Managing Director/Whole-time Directors

At the time of appointment or re-appointment, the Managing Director/Whole-Time Directors shall be paid such remuneration as may be mutually agreed between them and the Company (which includes the N&R Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.

In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:

- a. the relationship of remuneration and performance benchmarks is clear;
- b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- c. responsibility required to be shouldered by the Managing Director/Whole-time Directors, the industry benchmarks and the current trends;

Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Senior Management executives) the N&R Committee shall ensure / consider the following:

- i. the relationship of remuneration and performance benchmark is clear;
- ii. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's Performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis Key performance Indicator (KPI) and Key responsibility Areas (KRA), industry benchmark and current compensation trends in the market.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above.

VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

Employees are asked to report any practices or actions believed to be inappropriate and against the interest of Company or its code of conduct adopted or any other illegal acts to their immediate Manager. Report of violation can also be made directly to the Chief Executive Officer. Where appropriate, complaints may be made on a confidential basis to the Chairman of the Audit Committee / Board. The contact details are made available at the Company's website / Notice Board. All complaints received are properly investigated by the recipients and report the outcome to the Audit Committee in sealed cover for appropriate action. The Company prohibits retaliation against any employee for such complaints made in good faith, while it also protects the rights of the incriminated person.

No complaint had been registered during 2016-17. No personnel have been denied access to the Committee/Mechanism.

GENERAL BODY MEETINGS

The Forty Fourth Annual General Meeting of the Company for the Financial Year 2016-2017 will be held on July 22, 2017 at **Mysore Association Auditorium, Bhaudaji Road, Matunga-(C.Rly) Mumbai at 3.00 pm.**

- I. The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2015-2016	29/07/2016	3.00 p.m.	Mysore Association Auditorium Bhaudaji Road, Matunga- (C.Rly) Mumbai.

Special resolution was passed for the appointment of Mr.R.Parthasarathy as Chairman & Managing Director for a period of three years from August 01, 2016.

Financial Year	Date	Time	Location
2014-2015	03/08/2015	2.30 p.m.	Mysore Association Auditorium Bhaudaji Road, Matunga- (C.Rly) Mumbai.

Special resolutions were passed for the appointment of Mrs. Ramya Bharathram as a Whole-time Director for a period of three years from November 03, 2014; modified remuneration of Mr.R.Parthasarathy as Managing Director.

Financial Year	Date	Time	Location
2013-2014	06/08/2014	3.00 p.m.	Rangaswar, Yashwantrao Chavan Pratishthan, Fourth Floor, Gen. Jagannathrao Bhosale Marg, Nariman Point , Mumbai 400 021.

Special resolution was passed authorizing Board of Directors to borrow from time to time not exceeding Rupees One thousand crores.

II. No resolution was passed through postal ballot during the year under review.

III. No resolution is proposed to be conducted through postal ballot.

DISCLOSURES:

The Company's internal Audit is done by a firm of Chartered Accountants. The reports submitted by the Internal Auditors on the operations and financial transactions and the Action Taken Report on the same are placed before the Audit Committee, apart from the Statutory Auditors and the Senior Management of the Company.

For every quarter, the Executive Director (Manufacturing) at Ranipet and Manager (Accounts), made a detailed report of all statutory compliances which were placed before the Audit Committee. At the Board meeting following the Audit Committee meeting, the Company Secretary made a report confirming statutory compliances for the said quarter. Exceptions are listed & reviewed in detail for action & correction.

There were no material significant transactions with the Directors or their relatives or the Management that has any potential conflict with the interest of the Company. All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

There were no case of non-compliance by the Company, nor any cases of penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.

CODE OF CONDUCT:

The Company has laid down the Code of Conduct for all Board members and Senior Management of the Company, available on the Company's Website.

All Board members and Senior Management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2017. The Managing Director has also confirmed and certified the same. The certification is annexed at the end of this Report.

RISK MANAGEMENT:

The Company has well laid down procedures to inform Board members about the risk assessment. The Company has suitable forex policy including hedging to contain foreign exchange risk.

CEO /CFO CERTIFICATION:

Appropriate certification as required under Reg. 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Mr. R.Parthasarathy, Managing Director and Mr. P. Krishnamoorthy, Chief Financial Officer have certified to the Board regarding Financial Statements for the year ended 31st March, 2017.

MEANS OF COMMUNICATION:

The Company has promptly reported all material information including quarterly results and press releases to the Stock Exchanges where the Company's securities are listed. The quarterly results were communicated to the shareholders by way of advertisement in an English National Newspaper, normally The Economic Times, Mumbai edition and in a vernacular language newspaper, normally Maharashtra Times, Mumbai edition. The results and other updates are displayed on the Company's website <http://www.thirumalaichemicals.com>

Disclosures with respect to demat suspense account/ unclaimed suspense account under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 : Not applicable

AFFIRMATION:

The provisions of Reg. 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable to the Company, are fully complied with. All the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are disclosed in this report.

Further the Company adopted the following discretionary requirements under Reg. 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

A. The Board

Mr. R. Parthasarathy, Managing Director is the Chairman of the Company.

B. Shareholder Rights

The Company has not circulated a half-yearly declaration of financial performance/summary of significant events in the last six-months.

C. Modified opinion(s) in audit report

Not applicable since there is no qualification in the audit reports.

D. Separate posts of Chairperson and Chief executive officer

Same person occupied the position of Chairperson and Managing Director during the financial year.

E. Reporting of internal auditor

The Internal Auditors directly reported to the Audit Committee.

GENERAL SHAREHOLDERS INFORMATION:

- 1) Date, time and venue of 44th AGM : 22nd July 2017, 3.00 pm at Mysore Association Auditorium, Bhaudaji Road, Matunga-(C.Rly) Mumbai
- 2) Date of Book Closure : 16th July, 2017 to 22nd July, 2017 (both days inclusive)
- 3) Dividend payment date, if declared at the AGM : on or before July 31, 2017
- 4) Listing on Stock Exchanges : BSE Ltd. (BSE) and National Stock Exchange Ltd. (NSE).
- 5) Listing fees : Paid as per the listing agreement.
- 6) ISIN No: INE 338A01016.
- 7) BSE Stock code : 500412
NSE Stock code : TIRUMALCHM
- 8) Registered office : Thirumalai House, Road No.29, Sion-East, Mumbai-400 022
Tel: +91-22- 24017841/7861/7853/7869/7834
Fax: +91-22-24011699/4754
E-mail- thirumalai@thirumalaichemicals.com
- 9) Registrar & Share Transfer Agent : Link Intime India Pvt Ltd
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083
Tel No: +91 22 49186000; Fax: +91 22 49186060
E-mail- rnt.helpdesk@linkintime.co.in; Web site : www.linkintime.co.in
- 10) Compliance Officer : Mr. T. Rajagopalan, Company Secretary
Thirumalai Chemicals Limited
Thirumalai House, Road No.29, Sion (East), Mumbai- 400 022.
Tel: +91-22-24017841/61/53; Fax: +91-22-24011699.
E-mail- rajagopalan.t@thirumalaichemicals.com
- 11) Share Transfer system : The Company's shares are traded in the Stock Exchanges which are compulsorily in demat mode. Shares sent for physical transfer are registered promptly within 15 days from the date of receipt of completed and validly executed documents.
- 12) Financial Calendar : Annual Results - 20th May, 2017
Mailing of Annual Reports - By 24th June, 2017
Results for the Quarter ending:
June 30, 2017 - By 14th August, 2017
September 30, 2017 - By 15th Nov, 2017
December 31, 2017 - By 14th Feb, 2018
March 31, 2018 - May, 2018
- 13) Dematerializations of shares : As on 31/3/2017, 96.85 % of the Company's Shares representing 99,16,573 shares were held in the dematerialized form.
- 14) Plant Location : Ranipet, Vellore District, Tamil Nadu.
Tel: 04172-244441. Fax: 04172-244308.
E-Mail: mail@thirumalaichemicals.com

15) Categories of Shareholders (as on 31/3/2017):

Category	No. of shares	% of shareholding
Promoters, Directors & their Relatives	1544920	15.09
Group companies	2700182	26.37
Foreign Portfolio Investors	607274	5.93
Financial Institutions / Banks	35267	0.34
Insurance companies	600	0.01
NRIs / FIIs	213437	2.09
Companies / Bodies corporates	715981	6.99
General Public	4023090	39.29
Clearing members	209955	2.05
Trusts	750	0.01
HUFs	187356	1.83
TOTAL	10238812	100.00

16) Distribution of Shareholding as on 31.03.2017:

No. of shares	No. of shareholders	% of shareholders	Shareholding	% of shareholding
Up to 500	17428	92.34	1558169	15.22
501- 1000	729	3.86	562813	5.50
1001-2000	361	1.91	546706	5.34
2001-5000	209	1.11	645153	6.29
5001-10000	68	0.36	490184	4.79
Above 10000	76	0.47	6435787	62.86
Total	18871	100.00	10238812	100.00

17) Stock market price data for the year 2016-2017:

The details of month wise high/low price of the Company's share in the Stock Exchanges, where it is listed, along with the comparable indices of the Stock Exchanges for the financial year are tabled below:

Indices :S&P BSE SENSEX opening 25301.70 closing 29620.50

Indices : NIFTY 50 opening 7718.05 closing 9173.75

Month	BSE			NSE		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
April, 2016	234.50	176.10	332,254	234.40	177.00	891,189
May, 2016	280.00	222.00	561,120	280.00	222.10	1,768,134
June, 2016	328.50	235.50	993,316	328.30	235.25	3,436,416
July, 2016	367.75	300.10	928,830	367.30	298.50	2,641,673
August, 2016	403.20	330.00	600,098	403.20	330.00	1,928,506
September, 2016	615.45	395.00	2,013,449	614.80	395.00	5,974,142
October, 2016	949.00	542.35	2,235,770	949.00	542.00	9,664,887
November, 2016	984.00	577.70	1,591,032	984.40	580.80	6,509,526
December, 2016	822.95	668.00	454,690	824.00	666.05	1,954,814
January, 2017	819.50	728.50	390,078	823.35	728.00	1,580,892
February, 2017	954.90	766.35	594,397	956.00	761.00	2,441,789
March, 2017	936.50	835.50	381,618	935.00	837.00	1,429,070

For Thirumalai Chemicals Limited

Chennai,
20th May 2017

R. Parthasarathy
Managing Director
(DIN : 00092172)

R. Ravishankar
Director
(DIN:01224361)

DECLARATION BY THE CEO UNDER CLAUSE 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with under clause 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2017.

For Thirumalai Chemicals Limited

R.Parthasarathy
Managing Director
(DIN: 00092172)

Chennai, 20th May, 2017

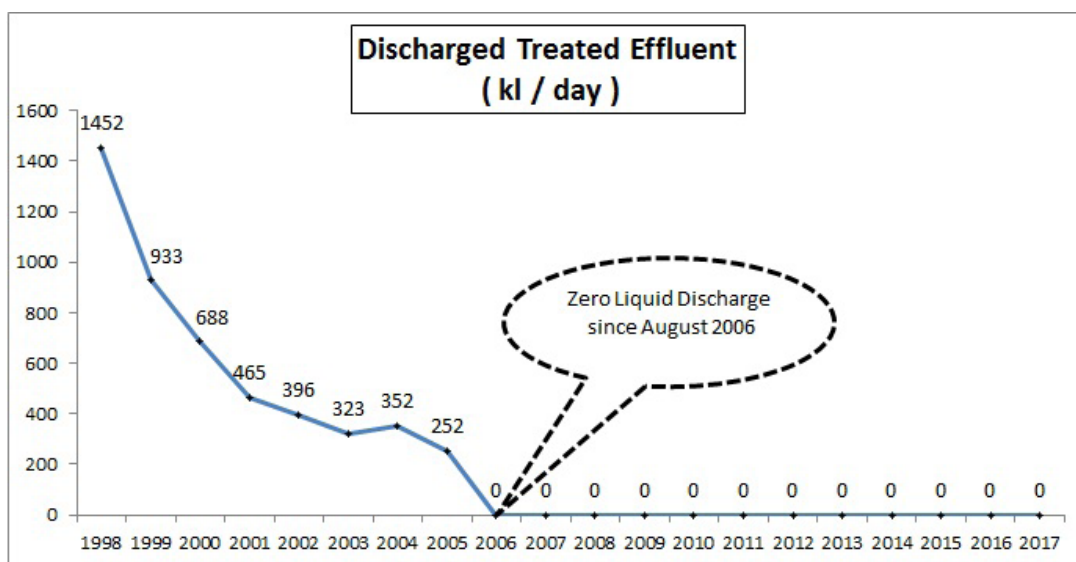
SUSTAINABILITY REPORT

Our founders Mr. N.S. Iyengar and Mr. N.R. Swamy managed their business on the principle that Ethical conduct must be the basis for our decisions, actions and behavior. This forms the underlying culture of our organization, and defines our approach to sustainability and impact on resources and on the local community.

In operating a large Chemical manufacturing business, there are obvious concerns about our effect on the Environment Health and Safety. Since the beginning, your Company has worked with a strong sense of social responsibility. We have conformed to the best international standards, long before Pollution Control rules were first mandated by the Government in India. We comply with and have consistently exceeded these guidelines and norms.

Rigor in Conservation & Recycling of Water and Energy, Low Emissions and a focus on Safety are the basic benchmarks for every operation, modification and expansion.

We are among the earliest 'Zero Liquid Discharge' companies. We achieved this milestone 10 years ago - a very difficult and expensive task especially in a large, older, multiproduct chemical complex.



Along the way, hundreds of improvements developed in-house have helped us reduce our *Specific* water consumption by 80% since 1980. On an inland site and in a seriously water deficit State, this is obviously very important. We have now intensified this programme as water has become scarcer.

In most Global and Indian Chemical manufacturing sites, liquid effluents are let out after treatment; and Off-Gases are incinerated leading to huge releases of Greenhouse gasses.

Twenty five years ago, your Company had developed innovative technologies to use these effluents and Off-gasses to produce value added products. This has led to a substantial reduction in emissions, thereby reducing our carbon footprint. These products now contribute significantly to the business performance of your Company and are part of its growth plans.

Since 1980, process waste heat is converted into usable power and heat, and now accounts for a very large part of our total requirement. We continue to work on a number of energy saving measures and our goal is to become fully self-sustaining in terms of energy over the coming years. These initiatives are in-house developments we can be very proud of.

Our training and development programmes for young persons from rural communities which started in 1978 have been well recognized. A majority of our employees at all levels, including in R&D and Management, joined the Company as young trainees.

This programme is now being further extended to training local youth to become good craftsmen and technicians.

Your Company continues to support the Thirumalai Charity Trust (since 1973), the Akshaya Vidhya Trust (since 1994), and the Thirumalai Mission Hospital (since 2010). These provide affordable quality healthcare and education in the communities we operate in. The CSR report details these initiatives.

Besides contributing greatly to the community, these programmes ensure that we are a "good neighbor".

Independent Auditor's Certificate on Corporate Governance

To the Members of Thirumalai Chemicals Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 19 September 2016.
2. We have examined the compliance of conditions of corporate governance by Thirumalai Chemicals Limited ('the Company') for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2017.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

7. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

per **Sumesh E S**

Partner

Membership No.: 206931

Place: Chennai

Date: 20th May, 2017

FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]*

I. REGISTRATION AND OTHER DETAILS:

- i) **CIN:- L24100MH1972PLC016149**
- ii) Registration Date: **27-11-1972**
- iii) Name of the Company: **THIRUMALAI CHEMICALS LIMITED**
- iv) Category / Sub-Category of the Company: **Company having Share Capital**
- v) Address of the Registered office and contact details
Thirumalai House, Plot No 101/102, Sion-Matunga Estate, Road No. 29, Near Sion Hill Fort, Sion (E), Mumbai - 400 022
- vi) Whether listed Company Yes / No : **Yes**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (W), Mumbai - 400 078
Tel. : 022-2594 6970
Fax : 022-2594 6969
E-mail : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1	Phthalic Anhydride	24119	91%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Tarderiv International Pte. Ltd., 10 Jalan Besar, #10-12 Sim Lim Tower, Singapore 208787	201025959N	Subsidiary	100	Sec 2(87)
2	Cheminvest Pte. Ltd., 10 Jalan Besar, #10-12 Sim Lim Tower, Singapore 208787	200909241H	Subsidiary	100	Sec 2(87)
3	Optimistic Organic SDN. BHD., Level 8 Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya Selangor	873094-V	Subsidiary	100	Sec 2(87)
4	Lapiz Europe Limited, Talbot House, 204-226 Imperial Drive, Rayners Lane, Harrow, Middlesex	05965088	Subsidiary	100	Sec 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

CATEGORY OF SHAREHOLDERS	NUMBER OF SHARES HELD AT THE BEGINNING OF THE YEAR				NUMBER OF SHARES HELD AT THE END OF THE YEAR			
	DEMAT	PHYSICAL	TOTAL	%	DEMAT	PHYSICAL	TOTAL	%
A. PROMOTERS								
1. INDIAN								
A. INDIVIDUALS / HINDU UNDIVIDED FAMILY	1614129	14	1614143	15.77	1544906	14	1544920	15.77
B. CENTRAL GOVERNMENT/STATE GOVERNMENT(S)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. BODIES CORPORATE	2700182	0	2700182	26.37	2700182	0	2700182	26.37
D. FINANCIAL INSTITUTIONS/BANKS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
E. ANY OTHERS (SPECIFY)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB TOTAL(A) (1):	4314311	14	4314325	42.14	4245088	14	4245102	41.46

CATEGORY OF SHAREHOLDERS	NUMBER OF SHARES HELD AT THE BEGINNING OF THE YEAR				NUMBER OF SHARES HELD AT THE END OF THE YEAR			
	DEMAT	PHYSICAL	TOTAL	%	DEMAT	PHYSICAL	TOTAL	%
2. FOREIGN								
A. INDIVIDUALS(NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
B. BODIES CORPORATE	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. INSTITUTIONS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
D. ANY OTHERS (SPECIFY)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB TOTAL (A)(2):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP (A)= (A)(1) +(A)(2)	4314311	14	4314325	42.14	4245088	14	4245102	41.46
B. PUBLIC SHAREHOLDING								
1. INSTITUTIONS								
A. MUTUAL FUNDS/UTI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
B. FINANCIAL INSTITUTIONS/BANKS	10208	1249	11457	0.11	34018	1249	35267	0.34
C. CENTRAL GOVERNMENT/STATE GOVERNMENT(S)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
D. VENTURE CAPITAL FUNDS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
E. INSURANCE COMPANIES	NIL	600	600	0.01	NIL	600	600	0.01
F. FOREIGN INSTITUTIONAL INVESTORS	NIL	NIL	NIL	NIL	607274	NIL	607274	5.93
G. FOREIGN VENTURE CAPITAL INVESTORS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
H. ANY OTHER (SPECIFY)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB TOTAL (B)(1):	10208	1849	12057	0.12	641292	1849	643141	6.29
B 2. NON - INSTITUTIONS								
A. BODIES CORPORATE	721469	6979	728448	7.11	709002	6979	715981	6.99
B. INDIVIDUALS								
I. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UP TO ₹ 0.2 Mn	3071194	326429	3397623	33.18	2811947	312862	3124809	30.52
II. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF ₹ 0.2 Mn	1319652	NIL	1319652	12.89	898281	NIL	898281	8.77
C. ANY OTHER (SPECIFY)								
CLEARING MEMBERS	70995	NIL	70995	0.69	209955	NIL	209955	2.05
NRIs	205499	535	206034	2.01	212902	535	213437	2.08
HUF	188928	NIL	188928	1.85	187356	NIL	187356	1.83
TRUSTS	750	NIL	750	0.01	750	NIL	750	0.01
SUB TOTAL (B) (2):	5578487	333943	5912430	57.74	5030193	320376	5350569	52.26
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)	5588695	335792	5924487	57.86	5671485	322225	5993710	58.54
C. SHARES HELD BY CUSTODIAN FOR GDR'S & ADR'S	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
GRAND TOTAL (A + B + C)	9903006	335806	10238812	100.00	9916573	322239	10238812	100.00

(ii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of Promoter		Shareholding at the beginning of the year*		Cumulative Shareholding during the year*		Remarks
	Date	Reason for change	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	R.SAMPATH		481737	4.71	481737	4.71	Beginning
Add	29/08/2016	Market Purchase	9573	.09	491310	4.80	Change
	At the end of the year				491310	4.80	
2	PARTHASARATHY RANGASWAMY		321170	3.14	321170	3.14	Beginning
Add	29/08/2016	Market Purchase	18675	.18	339845	3.32	Change
	At the end of the year				339845	3.32	
3	SANTHANAM SUNDARAJAN		49452	0.48	49452	0.48	No change

Sl. No.	Name of Promoter		Shareholding at the beginning of the year*		Cumulative Shareholding during the year*		Remarks
	Date	Reason for change	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
4	SRIDHAR SUNDARARAJAN		41867	0.41	41867	0.41	Beginning
Less	21/06/2016	Market Sale	4235	0.04	37632	0.37	Change
Less	23/06/2016	Market Sale	1000	0.01	36632	0.36	Change
Less	27/06/2016	Market Sale	2190	0.02	34442	0.34	Change
Less	28/06/2016	Market Sale	2810	0.03	31632	0.31	Change
Less	29/06/2016	Market Sale	5632	0.05	26000	0.26	Change
Less	04/07/2016	Market Sale	2000	0.02	24000	0.24	Change
Less	18/08/2016	Market Sale	2000	0.02	22000	0.22	Change
Less	22/08/2016	Market Sale	2000	0.02	20000	0.20	Change
Less	15/09/2016	Market Sale	1625	0.02	18375	0.18	Change
Less	16/09/2016	Market Sale	7000	0.07	11375	0.11	Change
Less	16/09/2016	Market Sale	8375	0.08	3000	0.03	Change
Less	25/10/2016	Market Sale	3000	0.03	0	0.00	Change
	At the end of the year				0	0.00	
5	BHOOMA PARTHASARATHY		213795	2.09	213795	2.09	No change
6	INDIRA SUNDARARAJAN		182296	1.78	182296	1.78	Beginning
Add	29/08/2016	Market Purchase	3175	.03	185471	1.81	Change
	At the end of the year				185471	1.81	
7	SUJATHA SAMPATH		93771	0.92	93771	0.92	No change
8	KALA SUNDARVEDHA		20216	0.20	20216	0.20	Beginning
Less	27/06/2016	Market Sale	6416	0.06	13800	0.14	Change
Less	28/06/2016	Market Sale	3800	0.04	10000	0.10	Change
Less	09/08/2016	Market Sale	5000	0.05	5000	0.05	Change
Less	11/08/2016	Market Sale	2650	0.03	2350	0.02	Change
Less	18/08/2016	Market Sale	1343	0.01	1007	0.01	Change
Less	22/08/2016	Market Sale	1007	0.01	0	0.00	Change
	At the end of the year				0	0.00	
9	S.VARADARAJAN		20991	0.20	20991	0.20	No change
10	SRINATH SRIDHAR		19540	0.19	19540	0.19	Beginning
Less	28/06/2016	Market Sale	6540	0.07	13000	0.12	Change
Less	29/06/2016	Market Sale	1500	0.01	11500	0.11	Change
Less	26/10/2016	Market Sale	6500	0.06	5000	0.05	Change
Less	27/10/2016	Market Sale	1000	0.01	4000	0.04	Change
Less	28/10/2016	Market Sale	4000	0.04	0	0.00	Change
	At the end of the year				0	0.00	
11	S.VIDHYA		41813	0.41	41813	0.41	Beginning
Add	29/08/2016	Market Purchase	5000	.05	46813	0.46	Change
	At the end of the year				46813	0.46	
12	S.NARAYAN		10000	0.10	10000	0.10	Beginning
Less	07/11/2016	Market Sale	1000	0.01	9000	0.09	Change
Less	30/11/2016	Market Sale	3000	0.03	6000	0.06	Change
Less	09/12/2016	Market Sale	1000	0.01	5000	0.05	Change
Less	23/12/2016	Market Sale	1000	0.01	4000	0.04	Change
Less	06/02/2017	Market Sale	2000	0.02	2000	0.02	Change
	At the end of the year				2000	0.02	
13	GEETHA.S		20394	0.20	20394	0.20	Beginning
Less	11/08/2016	Market Sale	2000	0.02	18394	0.18	Change
	At the end of the year				18394	0.18	
14	DAYASRIDHAR		18910	0.18	18910	0.18	Beginning
Less	28/06/2016	Market Sale	8910	0.09	10000	0.09	Change
Less	09/08/2016	Market Sale	5000	0.05	5000	0.04	Change
Less	11/08/2016	Market Sale	2600	0.02	2400	0.02	Change
Less	08/08/2016	Market Sale	1400	0.01	1000	0.01	Change

Sl. No.	Name of Promoter		Shareholding at the beginning of the year*		Cumulative Shareholding during the year*		Remarks
	Date	Reason for change	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
Less	22/08/2016	Market Sale	1000	0.01	0	0.00	Change
	At the end of the year				0	0.00	
15	RAMYA BHARATHRAM		23696	0.23	23696	0.23	Beginning
Add	29/08/2016	Market Purchase	4981	.05	28677	0.28	Change
	At the end of the year				28677	0.28	
16	MEERA PARTHASARATHY		20438	0.20	20438	0.20	No change
17	TARA PARATHASARATHY		20188	0.20	20188	0.20	Beginning
Add	29/08/2016	Market Purchase	3700	.03	23888	0.23	Change
	At the end of the year				23888	0.23	
18	V.S.SUNDARARAJAN		5873	0.06	5873	0.06	No change
19	UTTARA.B		4000	0.04	4000	0.04	No change
20	N.R.SWAMY		188	0.00	188	0.00	No change
21	S.SRIDHAR [HUF]		14	0.00	14	0.00	No change
22	ULTRAMARINE & PIGMENTS LTD.		2045177	19.97	2045177	19.97	No change
23	JASMINE LIMITED		655005	6.40	655005	6.40	No change
	Total		4402581	43.00	4245102	41.46	

INCLUDING TRUST HOLDINGS

(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. Nos.	Name of Shareholder (DP id wise)		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	ANIL KUMAR GOEL (1203760000210771)		331000	3.23	331000	3.23	
Less	05 Aug 2016	Market sale	(74100)	0.72	256900	2.51	Change
Less	12 Aug 2016	Market sale	(52900)	0.52	204000	1.99	Change
Less	19 Aug 2016	Market sale	(11000)	0.10	193000	1.89	Change
Less	26 Aug 2016	Market sale	(49406)	0.49	143594	1.40	Change
Less	02 Sep 2016	Market sale	(7367)	0.07	136227	1.33	Change
Less	09 Sep 2016	Market sale	(18227)	0.18	118000	1.15	Change
Add	16 Sep 2016	Market Purchase	132000	1.29	250000	2.44	Change
Less	23 Sep 2016	Market sale	(5000)	0.05	245000	2.39	Change
Less	07 Oct 2016	Market sale	(6000)	0.06	239000	2.33	Change
Less	28 Oct 2016	Market sale	(4000)	0.03	235000	2.30	Change
Less	04 Nov 2016	Market sale	(5000)	0.05	230000	2.25	Change
Add	25 Nov 2016	Market Purchase	2000	0.02	232000	2.27	Change
Less	10 Feb 2017	Market sale	(2000)	0.02	230000	2.25	Change
	At the end of the year				230000	2.25	
2	DOLLY KHANNA (IN30015910002665)		132173	1.29	132173	1.29	
Add	20 May 2016	Market Purchase	1475	0.02	133648	1.31	Change
Add	10 Jun 2016	Market Purchase	9450	0.09	143098	1.40	Change
Add	17 Jun 2016	Market Purchase	4734	0.04	147832	1.44	Change
Add	24 Jun 2016	Market Purchase	30833	0.31	178665	1.75	Change
Add	01 Jul 2016	Market Purchase	6950	0.06	185615	1.81	Change
Add	08 Jul 2016	Market Purchase	7850	0.08	193465	1.89	Change
Add	15 Jul 2016	Market Purchase	4475	0.04	197940	1.93	Change
Less	05 Aug 2016	Market sale	(7340)	0.07	190600	1.86	Change
Less	12 Aug 2016	Market sale	(2000)	0.02	188600	1.84	Change
Less	19 Aug 2016	Market sale	(1000)	0.01	187600	1.83	Change

Sl. Nos.	Name of Shareholder (DP id wise)		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
Less	16 Sep 2016	Market sale	(2850)	0.03	184750	1.80	Change
Add	28 Oct 2016	Market Purchase	3690	0.04	188440	1.84	Change
Less	04 Nov 2016	Market sale	(530)	0.00	187910	1.84	Change
Less	11 Nov 2016	Market sale	(2336)	0.02	185574	1.82	Change
Less	18 Nov 2016	Market sale	(2846)	0.03	182728	1.79	Change
Less	25 Nov 2016	Market sale	(1850)	0.02	180878	1.77	Change
	At the end of the year				180878	1.77	
3	MONEYWISE FINANCIAL SERVICES PRIVATE LIMITED (IN30365510000974)		0.00	0.00	0.00	0.00	
Add	31 Mar 2017	Market Purchase	169067	1.65	169067	1.65	Change
	At the end of the year				169067	1.65	
4	RITA CHHAWCHHARIA (IN30020610217781)		0.00	0.00	0.00	0.00	
Add	06 May 2016	Market Purchase	11035	0.11	11035	0.11	Change
Add	20 May 2016	Market Purchase	8965	0.09	20000	0.20	Change
Add	03 Jun 2016	Market Purchase	10000	0.09	30000	0.29	Change
Add	10 Jun 2016	Market Purchase	5000	0.05	35000	0.34	Change
Add	17 Jun 2016	Market Purchase	6440	0.06	41440	0.40	Change
Add	24 Jun 2016	Market Purchase	30000	0.30	71440	0.70	Change
Add	12 Aug 2016	Market Purchase	14592	0.14	86032	0.84	Change
Add	26 Aug 2016	Market Purchase	7468	0.07	93500	0.91	Change
Add	02 Sep 2016	Market Purchase	9100	0.09	102600	1.00	Change
Add	16 Sep 2016	Market Purchase	11154	0.11	113754	1.11	Change
Add	07 Oct 2016	Market Purchase	1807	0.02	115561	1.13	Change
	At the end of the year				115561	1.13	
5	MORGAN STANLEY MAURITIUS COMPANY LIMITED (IN30005410077083)		0.00	0.00	0.00	0.00	
Add	05 Aug 2016	Market Purchase	5185	0.05	5185	0.05	Change
Add	23 Sep 2016	Market Purchase	193	0.00	5378	0.05	Change
Add	30 Sep 2016	Market Purchase	581	0.01	5959	0.06	Change
Add	07 Oct 2016	Market Purchase	3489	0.03	9448	0.09	Change
Add	14 Oct 2016	Market Purchase	297	0.01	9745	0.10	Change
Add	28 Oct 2016	Market Purchase	103011	1.00	112756	1.10	Change
Add	04 Nov 2016	Market Purchase	31227	0.31	143983	1.41	Change
Less	11 Nov 2016	Market sale	(24284)	0.24	119699	1.17	Change
Add	18 Nov 2016	Market Purchase	11682	0.11	131381	1.28	Change
Add	25 Nov 2016	Market Purchase	10211	0.10	141592	1.38	Change
Add	02 Dec 2016	Market Purchase	1182	0.01	142774	1.39	Change
Less	09 Dec 2016	Market sale	(964)	0.01	141810	1.38	Change
Less	30 Dec 2016	Market sale	(6202)	0.06	135608	1.32	Change
Less	06 Jan 2017	Market sale	(3818)	0.04	131790	1.28	Change
Less	13 Jan 2017	Market sale	(3522)	0.03	128268	1.25	Change
Less	20 Jan 2017	Market sale	(2674)	0.02	125594	1.23	Change
Less	27 Jan 2017	Market sale	(5512)	0.06	120082	1.17	Change
Less	03 Feb 2017	Market sale	(905)	0.01	119177	1.16	Change
Less	10 Feb 2017	Market sale	(6336)	0.06	112841	1.10	Change
Add	17 Feb 2017	Market Purchase	1281	0.01	114122	1.11	Change

Sl. Nos.	Name of Shareholder (DP id wise)		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
Add	24 Feb 2017	Market Purchase	2251	0.02	116373	1.13	Change
Less	03 Mar 2017	Market sale	(231)	0.00	116142	1.13	Change
Add	10 Mar 2017	Market Purchase	3342	0.03	119484	1.16	Change
Less	17 Mar 2017	Market sale	(1823)	0.02	117661	1.14	Change
Less	24 Mar 2017	Market sale	(4445)	0.04	113216	1.10	Change
Less	31 Mar 2017	Market sale	(12340)	0.12	100876	0.98	Change
	At the end of the year				100876	0.98	
6	ASHOK KUMAR LODHA (1302340000461238)		0.00	0.00	0.00	0.00	
Add	10 Jun 2016	Market Purchase	60000	0.59	60000	0.59	Change
Add	17 Jun 2016	Market Purchase	3000	0.03	63000	0.62	Change
Add	08 Jul 2016	Market Purchase	27000	0.26	90000	0.88	Change
Add	05 Aug 2016	Market Purchase	12000	0.12	102000	1.00	Change
Less	26 Aug 2016	Market Sale	(20000)	0.20	82000	0.80	Change
Add	18 Nov 2016	Market Purchase	3500	0.03	85500	0.83	Change
Add	13 Jan 2017	Market Purchase	3000	0.03	88500	0.86	Change
	At the end of the year				88500	0.86	
7	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC (IN30016710118522)		0.00	0.00	0.00	0.00	
Add	18 Nov 2016	Market Purchase	31802	0.31	31802	0.31	Change
Add	02 Dec 2016	Market Purchase	42807	0.42	74609	0.73	Change
Add	09 Dec 2016	Market Purchase	15	0.00	74624	0.73	Change
	At the end of the year				74624	0.73	
8	SHRIRAM INSIGHT SHARE BROKERS LTD. (1203840000009946)		231	0.00	231	0.00	
Add	01 Apr 2016	Market Purchase	79	0.00	310	0.00	Change
Less	08 Apr 2016	Market Sale	(200)	0.00	110	0.00	Change
Add	15 Apr 2016	Market Purchase	610	0.01	720	0.01	Change
Less	22 Apr 2016	Market Sale	(200)	0.00	520	0.01	Change
Less	06 May 2016	Market Sale	(379)	0.01	141	0.00	Change
Less	13 May 2016	Market Sale	(126)	0.00	15	0.00	Change
Add	20 May 2016	Market Purchase	135	0.00	150	0.00	Change
Less	27 May 2016	Market Sale	(50)	0.00	100	0.00	Change
Add	10 Jun 2016	Market Purchase	450	0.01	550	0.01	Change
Less	17 Jun 2016	Market Sale	(450)	0.01	100	0.00	Change
Add	08 Jul 2016	Market Purchase	300	0.00	400	0.00	Change
Less	15 Jul 2016	Market Sale	(260)	0.00	140	0.00	Change
Add	22 Jul 2016	Market Purchase	96	0.00	236	0.00	Change
Less	29 Jul 2016	Market Sale	(126)	0.00	110	0.00	Change
Less	05 Aug 2016	Market Sale	(10)	0.00	100	0.00	Change
Less	09 Sep 2016	Market Sale	(90)	0.00	10	0.00	Change
Add	16 Sep 2016	Market Purchase	70	0.00	80	0.00	Change
Add	23 Sep 2016	Market Purchase	9227	0.09	9307	0.09	Change
Less	30 Sep 2016	Market Sale	(6164)	0.06	3143	0.03	Change
Add	07 Oct 2016	Market Purchase	19535	0.19	22678	0.22	Change
Less	14 Oct 2016	Market Sale	(18507)	0.18	4171	0.04	Change
Add	21 Oct 2016	Market Purchase	14287	0.14	18458	0.18	Change

Sl. Nos.	Name of Shareholder (DP id wise)		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
Add	28 Oct 2016	Market Purchase	17714	0.17	36172	0.35	Change
Less	04 Nov 2016	Market Sale	(27513)	0.27	8659	0.08	Change
Less	11 Nov 2016	Market Sale	(3037)	0.03	5622	0.05	Change
Add	18 Nov 2016	Market Purchase	5572	0.06	11194	0.11	Change
Add	25 Nov 2016	Market Purchase	1320	0.01	12514	0.12	Change
Less	02 Dec 2016	Market Sale	(7006)	0.07	5508	0.05	Change
Add	09 Dec 2016	Market Purchase	215	0.00	5723	0.05	Change
Less	16 Dec 2016	Market Sale	(304)	0.00	5419	0.05	Change
Add	23 Dec 2016	Market Purchase	26	0.00	5445	0.05	Change
Less	30 Dec 2016	Market Sale	(533)	0.00	4912	0.05	Change
Add	31 Dec 2016	Market Purchase	75	0.00	4987	0.05	Change
Less	06 Jan 2017	Market Sale	(107)	0.00	4880	0.05	Change
Add	13 Jan 2017	Market Purchase	9115	0.09	13995	0.14	Change
Add	20 Jan 2017	Market Purchase	9227	0.09	23222	0.23	Change
Less	27 Jan 2017	Market Sale	(9514)	0.10	13708	0.13	Change
Add	03 Feb 2017	Market Purchase	466	0.01	14174	0.14	Change
Add	10 Feb 2017	Market Purchase	15468	0.15	29642	0.29	Change
Less	17 Feb 2017	Market Sale	(1260)	0.01	28382	0.28	Change
Add	24 Feb 2017	Market Sale	(465)	0.01	27917	0.27	Change
Add	03 Mar 2017	Market Purchase	45086	0.44	73003	0.71	Change
Less	10 Mar 2017	Market Sale	(3544)	0.03	69459	0.68	Change
Less	17 Mar 2017	Market Sale	(6209)	0.06	63250	0.62	Change
Add	24 Mar 2017	Market Purchase	247	0.00	63497	0.62	Change
Add	31 Mar 2017	Market Purchase	8646	0.08	72143	0.70	Change
	At the end of the year				72143	0.70	
9	DHUNSERI PETROCHEM LTD (IN30154915566329)		0.00	0.00	0.00	0.00	
Add	10 Feb 2017	Market Purchase	56154	0.55	56154	0.55	Change
Add	24 Feb 2017	Market Purchase	7456	0.07	63610	0.62	Change
	At the end of the year				63610	0.62	
10	VANGUARD GLOBAL EQUITY FUND (IN30016710014085)		0.00	0.00	0.00	0.00	
Add	04 Nov 2016	Market Purchase	38354	0.37	38354	0.37	Change
Add	02 Dec 2016	Market Purchase	15714	0.16	54068	0.53	Change
	At the end of the year				54068	0.53	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year*		Shareholding at the end of the year*		Reasons for increase/decrease
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
A	Directors					
1	Mr.R.Parthasarathy	321170	3.14	339845	3.32	Market Purchase
2	Mr.R.Sampath	481737	4.71	491310	4.80	
3	Mrs.Ramya Bharathram	23696	0.23	28677	0.28	
4	Mr.S.Santhanam	49452	0.48	49452	0.48	No change
5	Mr.Raj Kataria	50	0.00	50	0.00	No change
B	Key Managerial Personnel					
1	Mr. P. Krishnamoorhty	Nil		Nil		Not applicable
2	Mr.T.Rajagopalan	Nil		Nil		

* including trust holdings

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment
(₹ in Mn)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	263.90	17.30	--	281.20
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	263.90	17.30	--	281.20
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction	263.90	17.30	--	281.20
Net Change	263.90	17.30	--	281.20
Indebtedness at the end of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
(₹ in Mn)

Sl. no.	Particulars of Remuneration	Mr. R. Parthasarathy, Managing Director	Mrs. Ramya Bharathram, Whole-time Director	Mr.P. Mohana Chandra Nair, Whole-time Director	Total Amount
1.	Gross salary	17.65	9.05	3.91	30.61
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission				
	- as % of profit	10.00	3.60	--	13.60
	- others, specify...	--	--	--	--
5.	Others, please specify	0.06	--	--	0.06
	Total (A)	27.71	12.65	3.91	44.27
	Ceiling as per the Act	57.38	57.38	4.05	118.81

B. Remuneration to other Directors:
(₹ in Mn)

Sl. no.	Particulars of Remuneration	Name of Directors							Total amount
1.	Independent Directors	Mr. P. Shankar	Mr. A. Janaki raman	Mr. N. Subramanian	Mr. Raj Kataria	Mr. Ravi shankar	Mr. Dhruv Moondhra	Mr. Arun Ramanathan	
	• Fee for attending board committee meetings	0.54	0.48	0.84	0.54	0.84	0.60	0.18	4.02
	• Commission (provided*)								11.88
	• Others, please specify								Nil
	Total (1)	0.54	0.48	0.84	0.54	0.84	0.60	0.18	15.90
2.	Other Non-Executive Directors	Mr.S. Santhanam	Mr. R.Sampath						
	• Fee for attending board committee meetings	0.12	0.48	--	--	--	--	--	0.60
	• Commission*								
	• Others, please specify								
	Total (2)	0.12	0.48	--	--	--	--	--	0.60
	Total (B) = (1 + 2)								16.50
	Total Managerial Remuneration (A+B)								60.77
	Overall Ceiling as per the Act								130.70

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹ in Mn)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2.65	4.79	7.44
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, specify...	-- --	-- --	-- --
5.	Others, please specify	--	--	--
	Total	2.65	4.79	7.44

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS			NIL		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT			NIL		
Penalty					
Punishment					
Compounding					

Form No. MR.3**Secretarial Audit Report for the financial year ended on March 31, 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the companies
(Appointment and remuneration of managerial personnel) Rule, 2014]

To,

The Members

Thirumalai Chemicals Limited

Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Thirumalai Chemicals Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made there-under;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there-under;
- III. The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company;
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- VI. Other law applicable specifically to the Company, as detailed below;
 - a. Explosive Act, 1974
 - b. Hazardous Wastes (Management and Handling) Rules 1989
 - c. The Chemical Weapons Convention Act, 2000
 - d. The Prevention of Food Adulteration Act, 1954 and rules
 - e. The Electricity Act, 2013

We have also examined compliance with the applicable clauses of the following;

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015
- (iii) The listing agreement entered into by the Company with Stock Exchanges in India.

We report that, during the financial year under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines as mentioned above and further report that, there was no action/event in pursuance of;

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company and test verification on random basis carried out for compliances under other applicable Acts, Laws and Regulations to the Company

The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals and being relied on the reports given by such designated professionals.

We further report that, based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department heads/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our

opinion adequate system and process exists in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable general laws like labour laws, competition law and environmental laws.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally at least seven days in advance, and in view of the non existence formal system, we are not in position to comment on existence of system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the Chairman, majority decision carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there were no specific events/actions in pursuance of any of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company affairs.

For R M MIMANI & ASSOCIATES LLP

[COMPANY SECRETARIES]

RANJANA MIMANI

(PARTNER)

FCS No: 6271

CP No : 4234

Place: Mumbai

Dated: May 20, 2017

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms and integral part of this report.

Annexure – "A"

To,

The Members

Thirumalai Chemicals Limited

Mumbai

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For R M MIMANI & ASSOCIATES LLP

[COMPANY SECRETARIES]

RANJANA MIMANI

(PARTNER)

FCS No: 6271

CP No : 4234

Place: Mumbai

Dated: May 20, 2017

TCL PLANT - RANIPET



Office at Ranipet



Optimistic Organic Sdn Bhd , Malaysia – Wholly Owned Subsidiary



Independent Auditor's Report

To the Members of Thirumalai Chemicals Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Thirumalai Chemicals Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes

evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, and its profit and its cash flows for the year ended on that date.

Other Matter

The financial statements of the Company as at and for the year ended 31 March 2016 were audited by the Company's previous auditors CNK & Associates LLP, whose report dated 14 May 2016, expressed an unqualified opinion on those financial statements. The balances as at 31st March 2016 as per the audited financial statements, regrouped and/or reclassified wherever necessary, have been considered as opening balances for the purpose of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the standalone financial statements dealt with by this report are in agreement with the books of account
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2017 from being appointed as a Director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the standalone

financial statements of the Company for the year ended on that date and our report dated 20 May 2017 as per Annexure B expressed an unqualified opinion.

- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- the Company, as detailed in Note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position
 - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - the Company, as detailed in Note 34 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Sumesh E S**

Partner

Membership No.: 206931

Place: Chennai

Date: 20 May 2017

Annexure 'A' to the Independent Auditor's Report

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
 - The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.
- In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
 - the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular;
 - there is no overdue amount in respect of loans granted to such companies.
- In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Pro-test (₹)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Deferral tax payable	8,448,007	Nil	2000-01 to 2005-06	High Court, Chennai
Tamil Nadu General Sales Tax Act, 1959	Advance tax – adjustment against Chemidyne Manufacturing Company Pvt. Ltd. merger	1,673,318	418,329	2006-07	Appellate Deputy Commissioner of (CT), Vellore
Tamil Nadu Value Added Tax, 2006	Advance tax – adjustment against Chemidyne Manufacturing Company Pvt. Ltd. Merger	598,887	149,722	2006-07	Appellate Deputy Commissioner of (CT), Vellore
Central Sales Tax Act, 1956	Non-filing of C forms	1,111,205	150,370	2006-07	Appellate Deputy Commissioner of (CT), Vellore
Central Sales Tax Act, 1956	Input tax credit reversal of export sales	783,001	195,750	2006-07	Appellate Deputy Commissioner of (CT), Vellore
Tamil Nadu Value Added Tax, 2006	Input tax credit reversal on SEZ sales	6,459	1,615	2011-12	Appellate Deputy Commissioner of (CT), Vellore
Central Sales Tax Act, 1956	Difference in tax rate and Form H not filed	136,905	31,294	2011-12	Appellate Deputy Commissioner of (CT), Vellore
Central Sales Tax Act, 1956	Input tax credit reversal on sales without Forms	27,074	6,106	2011-12	Appellate Deputy Commissioner of (CT), Vellore
Central Sales Tax Act, 1956	Input tax credit reversal on export sales	2,337,915	621,879	2011-12	Appellate Deputy Commissioner of (CT), Vellore
Tamil Nadu Value Added Tax, 2006	Advance tax – adjustment against Chemidyne Manufacturing Company Pvt. Ltd.	537,299	133,325	2007-08	Appellate Deputy Commissioner of (CT), Vellore
Tamil Nadu Value Added Tax, 2006	Wrong availment of input tax credit	809,624	202,406	2008-09	Appellate Deputy Commissioner of (CT), Vellore
Income Tax Act	Regular tax demand	46,165,467	28,135,277	Various years	CIT(A), ITAT

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not obtain any term loans during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the Directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Sumesh E S**

Partner

Membership No.: 206931

Place: Chennai

Date: 20 May 2017

Annexure 'B' to the Independent Auditor's Report

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the standalone financial statements of Thirumalai Chemicals Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of IFCoFR issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Sumesh E S**

Partner

Membership No.: 206931

Place: Chennai

Date: 20 May 2017

BALANCE SHEET AS AT 31ST MARCH 2017

(in ₹)

Particulars	Note	As at 31 st March 2017	As at 31 st March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	4	102,410,620	102,410,620
(b) Reserves and surplus	5	2,485,086,538	1,736,190,310
		<u>2,587,497,158</u>	<u>1,838,600,930</u>
(2) Non-current liabilities			
(a) Long-term borrowings	6	-	2,862,903
(b) Deferred tax liabilities, net	7	89,586,755	94,894,519
(c) Long-term provisions	8	69,133,080	78,785,566
		<u>158,719,835</u>	<u>176,542,988</u>
(3) Current liabilities			
(a) Short-term borrowings	9	-	227,178,836
(b) Trade payables	10		
Total outstanding dues to micro enterprises and small enterprises		1,529,768	446,498
Total outstanding dues to creditors other than micro and small enterprises		2,286,228,557	1,429,347,727
(c) Other current liabilities	11	161,075,967	181,030,915
(d) Short-term provisions	8	20,983,274	45,605,364
		<u>2,469,817,566</u>	<u>1,883,609,340</u>
Total		<u>5,216,034,559</u>	<u>3,898,753,258</u>
II. ASSETS			
Non-current assets			
(1) (a) Fixed assets			
(i) Tangible assets	12	871,276,471	792,210,910
(ii) Capital work-in-progress		91,308,807	56,078,724
(b) Intangible assets under development		2,074,301	-
(c) Non-current investments	13	324,868,685	324,869,305
(d) Long-term loans and advances	14	600,856,323	594,696,235
(e) Other non-current assets	15	6,800,000	-
		<u>1,897,184,587</u>	<u>1,767,855,174</u>
(2) Current assets			
(a) Current investments	16	205,000,000	-
(b) Inventories	17	1,316,539,550	593,232,875
(c) Trade receivables	18	1,127,621,037	1,101,001,782
(d) Cash and bank balances	19	330,261,469	113,032,940
(e) Short-term loans and advances	14	148,991,829	58,906,837
(f) Other current assets	20	190,436,087	264,723,650
		<u>3,318,849,972</u>	<u>2,130,898,084</u>
Total		<u>5,216,034,559</u>	<u>3,898,753,258</u>

Notes 1 to 40 form an integral part of these standalone financial statements

This is the balance sheet referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner

PLACE : CHENNAI
DATE : 20 MAY 2017

For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER

PLACE : CHENNAI
DATE : 20 MAY 2017

R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

T. RAJAGOPALAN
COMPANY SECRETARY

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

Particulars	Note	As at 31 st March 2017	As at 31 st March 2016
I Revenue			
Revenue from operations (Gross)	21	9,488,431,465	8,595,364,553
Less : Excise duty		873,772,070	790,979,446
Revenue from operations (Net)		8,614,659,395	7,804,385,107
II Other income	22	77,760,286	116,708,144
III Total revenue		<u>8,692,419,681</u>	<u>7,921,093,251</u>
IV Expenses			
Cost of materials consumed	23	5,944,942,573	5,573,697,733
Purchase of stock-in-trade	23	24,406,130	24,045,498
Changes in inventories	24	(169,684,147)	79,087,521
Employee benefits expense	25	324,357,314	292,717,692
Depreciation and amortisation expense	26	141,404,793	107,974,258
Finance costs	27	150,317,275	209,723,624
Other expenses	28	1,146,230,200	993,780,161
Total expenses		<u>7,561,974,138</u>	<u>7,281,026,487</u>
V Profit before tax		1,130,445,543	640,066,764
VI Tax expense			
Current tax		390,000,000	235,000,000
Deferred tax		(5,307,764)	(25,335,410)
Tax relating to prior years		(8,865,742)	3,119,798
		<u>375,826,494</u>	<u>212,784,388</u>
VII Profit for the year attributable to equity shareholders		<u>754,619,049</u>	<u>427,282,376</u>
VIII Earnings per equity share (Nominal value ₹ 10 per share)	32		
-Weighted average number of equity shares (Nos)		10,238,812	10,238,812
-Basic and diluted		73.71	41.73

Notes 1 to 40 form an integral part of these standalone financial statements

This is the Statement of Profit and Loss
referred to in on report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner
PLACE : CHENNAI
DATE : 20 MAY 2017
**For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited**
R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER
PLACE : CHENNAI
DATE : 20 MAY 2017
R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

T. RAJAGOPALAN
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

	Year ended 31 st March 2017	Year ended 31 st March 2016
(A) Cash flow from operating activities		
Profit before tax	1,130,445,543	640,066,764
Adjustments for:		
Depreciation and amortization	141,404,793	107,974,258
Finance costs	150,317,275	209,723,624
Interest income	(43,215,249)	(44,431,083)
Dividend income from mutual funds and other non-current investments	(2,754,358)	(19,864,688)
Profit on sale of tangible assets, net	(201,256)	(199,721)
Provision for employee benefits	17,458,001	12,622,393
Profit on sale of non-current investments	(14,880)	-
Provision for doubtful debts	67,885	9,793,665
Unrealised forex gain, net	(11,350,868)	(3,351,778)
	251,711,343	272,266,670
Operating profit before working capital changes	1,382,156,886	912,333,434
Adjustments for		
(Increase) / decrease in trade and other receivables	(52,614,018)	312,926,785
(Increase) / decrease in inventories	(775,089,445)	117,018,582
Increase / (decrease) in trade and other payables	867,836,781	(21,693,195)
	40,133,318	408,252,172
Cash generated from operations	1,422,290,204	1,320,585,606
Income taxes paid (net)	(370,584,126)	(179,754,318)
Net cash from operations	1,051,706,078	1,140,831,288
(B) Cash flow from investment activities		
Proceeds from sale of fixed assets	332,000	280,758
Purchase of fixed assets and capital work in progress	(244,196,933)	(226,269,490)
Interest received	44,501,027	29,423,779
Purchase of current investments	(205,000,000)	-
Proceeds from sale of non-current investments	15,500	-
Movement in bank deposits	(102,634,823)	(28,835,780)
Dividend income from mutual funds and other non-current investments	2,754,358	19,864,688
Net cash used in investing activities	(504,228,871)	(205,536,045)
(C) Cash flow from finance activities		
Repayment of long term borrowings	(54,007,441)	(153,616,610)
Repayment of short term borrowings, net	(227,178,836)	(399,497,395)
Interest on borrowings	(144,897,224)	(209,723,624)
Dividend paid (including dividend tax)	-	(172,526,613)
Net cash used in financing activities	(426,083,501)	(935,364,242)
(D) Net cash flows during the year	121,393,706	(68,999)
(E) Cash and cash equivalents at the beginning	4,982,515	5,051,514
(F) Cash and cash equivalents at the end	126,376,221	4,982,515
Cash and cash equivalents comprise of:		
i Cash on hand	266,557	128,422
ii Balances with banks - in current accounts	126,109,664	4,854,093
Cash and cash equivalents as per note 19	126,376,221	4,982,515

This is the cash flow Statement referred to in our report of even date

For Walker Chandio & Co LLP
Chartered Accountants

per Sumesh E S
Partner

PLACE : CHENNAI
DATE : 20 MAY 2017

**For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited**

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER

PLACE : CHENNAI
DATE : 20 MAY 2017

R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

T. RAJAGOPALAN
COMPANY SECRETARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

1 General Information

Thirumalai Chemicals Limited is a public limited Company domiciled in India incorporated under the provisions of the Companies Act. Its shares are listed on stock exchanges in India. The Company is engaged in manufacturing and selling chemicals. The Company caters to both domestic and international markets.

All amounts in the standalone financial statements are presented in Rupees except per share data and as otherwise stated. Figures for the previous year have been regrouped / rearranged wherever considered necessary to conform to the figures presented in the current year. The previous year figures have been audited by a firm other than Walker Chandiok & Co LLP.

The requirements under paragraph 5(ii)(c) of Part II of Schedule III to the Companies Act, 2013 are not applicable to the Company for the current year.

2 Summary of significant accounting policies

2.1 Basis of preparation of standalone financial statements

The standalone financial statements of Thirumalai Chemicals Limited ("TCL" or "the Company") have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India, the provisions of Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied as in the previous year. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

2.2 Use of estimates

The preparation of the standalone financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the standalone financial statements and reported amounts of revenues and expenses for the year. Significant estimate include provision for doubtful debts and loans and advances, provision for income and deferred taxes, future obligation under employee benefit plans, estimated useful life of tangible assets. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve

months for the purpose of current – non-current classification of assets and liabilities.

2.3 Revenue recognition

Revenue is measured on the basis of consideration received or receivable by the Company for goods supplied, excluding trade discounts and other applicable taxes and are recognised upon the transfer of risk to the customer.

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities has been met. These activity-specific recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

Sale of goods:

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which is incidental to the dispatch or delivery of goods to customers. Sales include excise duty, where applicable but exclude other taxes and is net of rebates and discounts.

Income from wind operated generators:

Revenue from sale of power is recognized on the basis of electrical units generated and transmitted to the grid of Electricity Board at prescribed rate as per agreement of sale.

Income from operating lease

Lease income from operating leases are recognised in the statement of profit and loss on a straight line basis over the lease term. In case of cancellable lease arrangements it is accounted on accrual basis.

Sale of scrap:

Revenue from sale of scrap is recognized as and when scrap is sold.

Dividend and interest income:

Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on the time proportionate method taking in to account the amount outstanding and the rate applicable.

Export benefits:

Income from duty drawback and export benefit under duty free credit entitlements is recognized in the statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds, as applicable.

2.4 Tangible assets and depreciation/ amortization

Tangible assets are carried at the cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. The cost of tangible assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Assets which are retired from active use and are held for disposal are stated

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

at the lower of their net book value or net realizable value. Cost of tangible assets not ready for the intended use as at balance sheet date are disclosed as “capital work in progress”.

Subsequent expenditure incurred on an item of tangible asset is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance. Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of an asset and are recognised in the statement of profit and loss when the asset is derecognised.

Tangible assets held for sale or retired from active use are stated at the lower of their net book value and net realisable value and shown separately in the standalone financial statements. In addition, any expected loss is recognized immediately in the

statement of profit and loss.

Depreciation and amortization:

- Premium on lease hold land is amortized over the period of lease.
- Depreciation on tangible assets is provided over its useful life specified in Schedule II to the Companies Act, 2013 or based on the useful life of the assets as estimated by Management based on technical evaluation and advice.
- The Management’s estimates of the useful life of various categories of fixed assets where estimates of useful life are lower than the useful life specified in Part C of Schedule II to the Companies Act, 2013 are as under:

Specific laboratory equipments	5 years
Office equipments (mobile phones)	2 years
Catalyst	3 years

- Depreciation on tangible assets is provided as per the methods stated below:

Buildings and road	Straight line method
Plant and equipment	Straight line method
Wind operated generators	Straight line method
Furniture and fixtures	Written down value method
Vehicles	Written down value method
Office equipment	Written down value method
Computer equipments	Written down value method

2.5 Research and development expenses

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized as expense in the statement of profit and loss when incurred.

Expenditure incurred on fixed assets used for research and development is capitalized and depreciated in accordance with the depreciation policy of the Company.

2.6 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the

recoverable amount of the asset. An asset’s recoverable amount is the higher of an asset’s or cash generating unit’s net selling price and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows from continuing use that are largely independent of those from other assets or group of assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

2.7 Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Long-term investments are valued at cost. Provision is made for diminution in value to recognize a decline, if any, other than that of temporary in nature. Current investments are valued at lower of cost and fair market value. Gains or losses that arise on disposal of an investment are measured as the difference between disposal proceeds and the carrying value and are recognised in the statement of profit and loss.

2.8 Inventories

Raw materials:

Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First in First out basis.

Work in progress and finished goods:

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes the combined cost of material, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty, wherever applicable. Cost is determined on a First in First out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Stores and Spares:

Stores and spares consists of packing materials, engineering spares and consumables (such as lubricants, cotton waste and oils), which are used in operating machines or consumed as indirect materials in the manufacturing process, has been valued using weighted average cost method.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

2.9 Retirement and other employee benefits

Provident fund:

The Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognized as an expense in the period in which it falls due.

Gratuity:

Gratuity is a post-employment benefit and is in the nature of a defined benefit obligation. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, if any. The defined benefit obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such losses or gains are determined.

Compensated absences:

Liability in respect of compensated absences becoming due or expected to be availed after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such losses or gains are determined. Accumulated compensated absences which are expected to be availed or encashed beyond 12 month from the end of the year end are treated as other long term employee benefits.

Superannuation Fund:

Contribution made towards approved Superannuation fund which is a defined contribution plan, is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

2.10 Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions duly approximated. Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are converted using the foreign exchange rates as at the balance sheet date. The resultant exchange differences are recognized in the statement of profit and loss. Non-monetary assets and liabilities are not translated.

Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the enterprise's standalone financial statements. Such exchange differences are recognized in the statement of profit and loss in the event of disposal of the net investment.

2.11 Borrowing cost

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.12 Leases

The lease arrangement is classified as either a finance lease or an operating lease, at the inception of the lease, based on the substance of the lease arrangement.

Finance leases:

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the Company is a lessee in such type of arrangements, the related assets are recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance lease liability. Leases of land and buildings are classified separately and are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is recognised initially. The corresponding finance lease liability is reduced by lease payments net of finance charges. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to the statement of profit and loss, as finance costs over the period of the lease.

Operating leases:

Leases where the lessor, effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

2.13 Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.14 Taxation

Tax expense comprises of current and deferred tax. The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

2.15 Contingent liabilities and provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to

settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent liabilities are disclosed for:

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

Contingent assets are not recognized in the financial statements, since this may result in recognition of income that may never be realized.

2.16 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

2.17 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3 Transfer pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The transfer pricing study for the fiscal year ended 31st March 2017 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Company's results.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

	As at 31 st March 2017		As at 31 st March 2016	
	Nos.	Amount	Nos.	Amount
4 Share capital				
Authorised				
Equity shares of ₹ 10 each	15,000,000	150,000,000	15,000,000	150,000,000
Unclassified shares of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000
	<u>25,000,000</u>	<u>250,000,000</u>	<u>25,000,000</u>	<u>250,000,000</u>
Issued				
Equity shares of ₹ 10 each	10,242,812	102,428,120	10,242,812	102,428,120
	<u>10,242,812</u>	<u>102,428,120</u>	<u>10,242,812</u>	<u>102,428,120</u>
Subscribed and fully paid-up				
Equity shares of ₹ 10 each	10,238,812	102,388,120	10,238,812	102,388,120
Add: Amount paid up on forfeited shares	4,000	22,500	4,000	22,500
	<u>10,242,812</u>	<u>102,410,620</u>	<u>10,242,812</u>	<u>102,410,620</u>

a) There is no change in issued and subscribed share capital during the year.

b) Terms/ rights attached to equity shares

The Company has equity shares having a par value of ₹ 10. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which is approved by the Board of Directors. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportional to the number of equity shares held by the shareholders.

c) Shareholders holding more than 5% of the aggregate shares in the Company

	Nos.	% holding	Nos.	% holding
<u>Equity shares of ₹ 10 each</u>				
Ultramarine and Pigments Limited	2,045,177	19.97%	2,045,177	19.97%
Jasmine Limited	655,005	6.39%	655,005	6.39%
Anil Kumar Goel	230,000	2.25%	531,000	5.19%
	<u>2,930,182</u>		<u>3,231,182</u>	

d) The Company had forfeited 4,000 equity shares on which amount originally paid up was ₹ 22,500.

e) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and buy back of shares during the last 5 years immediately preceding 31st March 2017.

	As at 31 st March 2017	As at 31 st March 2016
5 Reserves and surplus		
Securities premium account		
Balance at the beginning of the year	197,069,526	197,069,526
Add : Additions made during the year	-	-
Balance at the end of the year	<u>197,069,526</u>	<u>197,069,526</u>
General reserve		
Balance at the beginning of the year	428,252,062	428,252,062
Add : Additions made during the year	-	-
Balance at the end of the year	<u>428,252,062</u>	<u>428,252,062</u>
Surplus in the statement of profit and loss		
Balance at the beginning of the year	971,832,274	667,772,760
Add : Transfer from statement of profit and loss	754,619,049	427,282,377
Less : Interim dividend	-	102,388,120
(Interim dividend of ₹ 4 per equity share declared on 28.10.2015 ₹ 40,955,248)		
(Interim dividend of ₹ 6 per equity share declared on 11.03.2016 ₹ 61,432,872)		
Excess provision for dividend in earlier years adjusted	-	(9,000)
Tax on interim dividend	-	20,843,743
Balance at the end of the year	<u>1,726,451,323</u>	<u>971,832,274</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

	As at 31 st March 2017	As at 31 st March 2016
Foreign currency translation reserve		
Balance at the beginning of the year	139,036,448	114,305,688
Add : Movement during the year	(5,722,821)	24,730,760
Balance at the end of the year	<u>133,313,627</u>	<u>139,036,448</u>
	<u>2,485,086,538</u>	<u>1,736,190,310</u>
6 Long-term borrowings		
Term loans		
<u>Deferred payment liabilities (unsecured)</u>		
Sales tax deferment loan from the Government of Tamilnadu (interest free)	-	2,862,903
	-	<u>2,862,903</u>

Deferral of sales tax liabilities represent interest free deferred sales tax loan received from Government of Tamilnadu which was repayable up to financial year 2017-18 based on the deferment availed in the respective years. In case of default in repayment of 'Deferred sales tax liabilities the movable and immovable properties of the Company were liable to be attached/proceeded towards the realization of outstanding Government loan under Revenue Recovery Act. This was repaid fully in the current year.

7 Deferred tax liabilities, net		
The breakup of net deferred tax liability is as follows:		
Deferred tax liabilities arising on account of:		
- Timing difference between depreciation/ amortization as per financials and depreciation as per tax	125,227,971	146,536,807
Less: Deferred tax asset arising on account of		
- Foreign currency translation reserve	-	(8,558,821)
- Provision for employee benefits	(27,366,566)	(31,508,365)
- Provision for doubtful debts and deposits	(6,596,039)	(8,206,899)
- Other disallowances under Section 43B of Income Tax Act, 1961	(1,678,611)	(3,368,203)
	<u>(35,641,216)</u>	<u>(51,642,288)</u>
Deferred tax liabilities, net	<u>89,586,755</u>	<u>94,894,519</u>

8 Provisions

	As at 31 st March 2017		As at 31 st March 2016	
	Long-term	Short-term	Long-term	Short-term
Provision for employee benefits (Also refer note 8(a) below)				
Gratuity	50,775,894	6,655,697	63,578,695	9,085,888
Compensated absences	18,357,186	3,287,060	15,206,871	3,172,133
Provision for taxes (net of taxes paid in advance)	-	11,040,517	-	33,347,343
	<u>69,133,080</u>	<u>20,983,274</u>	<u>78,785,566</u>	<u>45,605,364</u>

(a) Defined benefit plans :

Gratuity is payable to all the members at the rate of 15 days salary for each year of service. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement :

	As at 31 st March 2017	As at 31 st March 2016
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	72,664,583	65,169,976
Interest cost	5,696,903	5,141,911
Current service cost	4,549,889	4,216,376
Benefits paid	(26,569,707)	(1,782,909)
Actuarial (gain) / loss	1,089,923	(80,771)
Projected benefit obligation at the end of the year	<u>57,431,591</u>	<u>72,664,583</u>
Thereof		
Unfunded	<u>57,431,591</u>	<u>72,664,583</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

Components of net gratuity costs are:

Current service cost	4,549,889
Interest cost	5,696,903
Net actuarial (gain)/ loss	1,089,923
Net gratuity costs recognised in the income statement (Also refer note 25)	11,336,715

Year ended 31 st March 2017	Year ended 31 st March 2016
4,549,889	4,216,376
5,696,903	5,141,911
1,089,923	(80,771)
11,336,715	9,277,516
6.81%	7.84%
9.08%	9.00%
6 years	5 years
12.40%	14.00%
Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

Principal actuarial assumptions used:

- a) Discount rate
- b) Long-term rate of compensation increase
- c) Average remaining life
- d) Attrition rate
- e) Mortality table

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Experience adjustment and present value of obligation:

Experience adjustment on plan liabilities (gains) / losses and present value of obligation in respect of gratuity benefits

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Experience adjustment	(2,727,658)	(6,906,540)	(6,304,712)	2,174,649	6,305,202
Present value of obligation	57,431,591	72,664,583	65,169,976	59,683,965	47,899,525

Compensated absences

The Company permits encashment of compensated absences accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company does not maintain any plan assets to fund its obligation towards compensated absences.

Changes in the present value of obligation in respect of compensated absences

Obligation at the year beginning

Actuarial (gain) / loss

Obligation at the year end

Principal actuarial assumptions used :

Discount rate

Long-term rate of compensation increase

Average remaining life

Attrition rate

Year ended 31 st March 2017	Year ended 31 st March 2016
18,379,004	17,579,196
3,265,242	799,808
21,644,246	18,379,004
6.81%	7.84%
9.08%	9.00%
6 years	5 years
12.40%	14.00%

(b) Defined contribution plans:

The Company has recognized the following amounts in the statement of profit and loss account for the year :

Contribution to employees' provident fund *

Contribution to employees' state insurance fund

Contribution to employees' superannuation fund **

Year ended 31 st March 2017	Year ended 31 st March 2016
16,657,154	15,212,437
915,598	770,033
5,223,925	3,693,196
22,796,677	19,675,666

* ₹ 1,082,916 (Previous year ₹ 790,030) included in research and development expenses

** ₹ Nil (Previous Year ₹ 482,951) included in research and development Expenses

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

	As at 31 st March 2017	As at 31 st March 2016
9 Short-term borrowings		
(Secured)		
Working capital demand loan (refer note below)	-	117,800,000
Cash credit/export credit accounts (refer note below)	-	88,157,372
Bills purchased / discounted (refer note below)	-	21,221,464
	<u>-</u>	<u>227,178,836</u>
Working capital demand loan/cash credit/export credit and bills purchased / discounted was secured by hypothecation of stock of raw materials, work in progress, finished goods and book debts and secured by a second charge on all of the Company's immovable fixed assets both present and future and carried an interest rate of 10.74 % to 11.59 % per annum in the previous year. The above loans were repaid during the current year.		
10 Trade payables		
Dues to micro and small enterprises (Also refer note a below)	1,529,768	446,498
Dues to others (including trade acceptances)	2,286,228,557	1,429,347,727
	<u>2,287,758,325</u>	<u>1,429,794,225</u>
a) Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:		
The information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. The details are as follows:		
i) Principal amount remaining unpaid	1,529,768	446,498
ii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
iv) The amount of interest due accrued and remaining unpaid at the end of each accounting year.	19,521	40,719
v) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	19,521	40,719
11 Other current liabilities		
Current maturities of long term debt (refer note 6 and (a) below)	-	51,144,538
Unpaid dividend (refer note (b) below)	1,859,348	1,863,760
Unpaid matured deposits and interest accrued thereon (refer note (b) below)	1,611,167	1,916,693
Employee related payables	37,892,490	29,042,646
Deposits from service providers	6,013,629	4,896,883
Interest accrued but not due on loans	-	576,190
Statutory dues	55,898,639	39,382,382
Advances from customers	29,788,491	19,978,683
Amounts due to consignment agents	-	8,590,779
Directors remuneration payable	25,482,800	20,201,516
Other payables	2,529,403	3,436,845
	<u>161,075,967</u>	<u>181,030,915</u>
(a) In respect of term loans from banks and financial institutions, terms of repayments and nature of security are given below:		
(i) Export Import Bank of India Overseas Investment Finance loan was repayable in 16 equal quarterly installments starting		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

from July 2012 up to April 2016. The loan was secured by First Pari Passu charge on movable fixed assets and immovable assets of the Company at Ranipet, Tamilnadu with an interest rate of LIBOR + 450 basis points.

- (ii) Export Import Bank of India Working Capital Demand Loan was repayable in 16 equal quarterly installments starting from July 2012 up to April 2016. The loan was secured by First Pari Passu charge on movable fixed assets and immovable assets of the Company at Ranipet, Tamilnadu with an interest rate range of 10.74% to 11.59% per annum (Previous year - 11.00% to 14.60% per annum)

The Company has repaid these loans during the current year.

- (b) There are no delays in transferring the amounts due for payment to the Investor education and protection fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

12 Tangible assets

Particulars	Freehold land	Lease hold land *	Buildings and roads	Plant and equipment	Wind operated generators	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Total
Gross block										
Balance as at 31 st March 2015	3,749,329	102,058,492	129,243,365	2,108,344,129	165,023,000	18,731,511	16,112,873	15,073,317	10,723,420	2,569,059,436
Change in classification of assets ^a	-	-	-	122,744,758	-	-	-	-	-	122,744,758
Additions	-	-	-	32,240,008	-	-	2,956,980	1,281,065	1,152,000	37,630,053
Disposals	-	-	-	38,891,261	-	-	1,126,930	332,710	2,521,224	42,872,125
Balance as at 31st March 2016	3,749,329	102,058,492	129,243,365	2,224,437,634	165,023,000	18,731,511	17,942,923	16,021,672	9,354,196	2,686,562,122
Additions	-	-	3,808,564	20,601,807	-	312,193	7,705,428	1,419,274	1,343,832	220,601,098
Disposals	-	-	-	-	-	-	2,145,468	24,000	-	2,169,468
Balance as at 31st March 2017	3,749,329	102,058,492	133,051,929	2,430,449,441	165,023,000	19,043,704	23,502,883	17,416,946	10,698,028	2,904,993,752
Accumulated depreciation/amortization										
Balance as at 31 st March 2015	-	4,123,575	63,171,976	1,606,583,387	104,440,218	14,266,021	10,789,222	11,998,680	10,008,392	1,825,381,471
Change in classification of assets	-	-	-	42,259,899	-	-	-	-	-	42,259,899
Depreciation/amortization for the year	-	773,170	2,845,405	52,447,350	3,482,481	1,315,813	2,242,600	1,629,536	978,004	65,714,359
Reversal on disposal of assets	-	-	-	35,104,690	-	-	1,065,453	315,671	2,518,703	39,004,517
Balance as at 31st March 2016	-	4,896,745	66,017,381	1,666,185,946	107,922,699	15,581,834	11,966,369	13,312,545	8,467,693	1,894,351,212
Depreciation/amortization for the year	-	1,288,617	3,553,064	126,695,727	3,482,480	879,368	2,856,276	1,403,430	1,245,831	141,404,793
Reversal on disposal of assets	-	-	-	-	-	-	2,019,110	19,614	-	2,038,724
Balance as at 31st March 2017	-	6,185,362	69,570,445	1,792,881,673	111,405,179	16,461,202	12,803,535	14,696,361	9,713,524	2,033,717,281
Net block										
Balance as at 31 st March 2016	3,749,329	97,161,747	63,225,984	558,251,688	57,100,301	3,149,677	5,976,554	2,709,127	886,503	792,210,910
Balance as at 31 st March 2017	3,749,329	95,873,130	63,481,484	637,567,768	53,617,821	2,582,502	10,699,348	2,720,585	984,504	871,276,471

* The Company has been allotted a plot in 2011 in Dahej by Gujarat Industrial Development Corporation for setting up a manufacturing facility. In terms of the said allotment the Company has paid the consideration and possession letter for land has been obtained in April 2015. The Company is obligated to set up a manufacturing facility within the specified period as per the terms and conditions of allotment, failing which penalty as per agreement is payable.

Consequent to the revision of Accounting Standard 10: 'Property, Plant and Equipment', the Company has reassessed the classification of 'Catalyst' which are used in the oxidation process and has determined that it would meet the definition of property, plant and equipment and has reclassified the same. Accordingly, an amount of ₹ 122,744,758 has been reclassified from Inventories to Plant and equipment during the year ended 31st March 2016 with the corresponding depreciation for the previous year ended 31st March 2016 amounting to ₹ 42,259,899 reclassified from 'Cost of materials consumed' to 'Depreciation and amortisation expense'.

13 Non-current investments

Trade investments (Valued at cost unless stated otherwise)

Investment in subsidiaries - Unquoted

Tarderiv International Pte. Limited, Singapore

In equity instruments

(Representing 100% equity share capital of subsidiary)

500,000 (500,000) equity shares of US\$ 1 each fully paid up

In preference shares

5,500,000 (5,500,000) 5% non cumulative preference shares of US\$ 1 each fully paid up

The above shares are redeemable at the call option of the investee

	As at 31 st March 2017	As at 31 st March 2016
	22,480,000	22,480,000
	248,109,450	248,109,450
	270,589,450	270,589,450

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

	As at 31 st March 2017	As at 31 st March 2016
Other investments (Valued at cost unless stated otherwise)		
<u>In equity instruments</u>		
Quoted		
Neyveli Lignite Corporation Limited - 5,000 (5,000) equity shares of ₹ 10 each fully paid up	313,958	313,958
Piramal Enterprises Limited - 1,409 (1,409) equity shares of ₹ 2 each fully paid up	122,728	122,728
Piramal Phytocare Limited - 137(137) equity shares of ₹ 10 each fully paid up	25,727	25,727
Tata Power Limited - 500 (500) equity shares of ₹1 each fully paid up	7,699	7,699
Ultramarine and Pigments Limited - 3,044,800 (3,044,800) equity shares of ₹ 2 each fully paid up	53,775,623	53,775,623
	54,245,735	54,245,735
Quoted (At realisable value)		
Futuristic Offshore Services and Chemicals Limited - 100(100) equity shares of ₹10 each fully paid up	1,050	1,050
Less: Provision for diminution other than temporary	(950)	(950)
	100	100
Maruti Plastics Limited - 4,000 (4,000) equity shares @ ₹10 each fully paid up	51,239	51,239
Less: Provision for diminution other than temporary	(47,239)	(47,239)
	4,000	4,000
Indu Nissan Oxo Chemical Limited - 9,150 (9,150) equity shares @ ₹10 each fully paid up	115,595	115,595
Less: Provision for diminution other than temporary	(106,445)	(106,445)
	9,150	9,150
	13,250	13,250
Non-trade investments (Valued at cost unless stated otherwise)		
Unquoted		
Kamer Co-operative Housing Society Limited - 5 (5) equity shares of ₹ 50 each fully paid up	250	250
Piramal Glass Limited - Nil (62) equity shares of ₹ 10 each fully paid-up	-	620
The Saraswat Co-operative Bank Limited - 200 (200) equity shares of ₹ 100 each fully paid up	20,000	20,000
	20,250	20,870
Grand total	324,868,685	324,869,305
Aggregate amount of:		
-Quoted investments	54,258,985	54,258,985
-Market value of quoted investments	564,734,629	333,219,332
-Unquoted investments	270,609,700	270,610,320
-Provision for diminution in value of investments othan than temporary	154,634	154,634
Extent of investment in subsidiaries		
Tarderiv International Pte. Limited, Singapore	100%	100%

	As at 31 st March 2017		As at 31 st March 2016	
	Long-term	Short-term	Long-term	Short-term
14 Loans and advances				
Capital advances				
- Unsecured, considered good	51,577,738	-	13,503,517	-
(A)	51,577,738	-	13,503,517	-
Security deposits				
- Unsecured, considered good	20,470,215	-	10,191,052	-
- Unsecured, considered doubtful	285,047	-	285,047	-
Less: Provision for bad and doubtful deposits	(285,047)	-	(285,047)	-
(B)	20,470,215	-	10,191,052	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

	As at 31 st March 2017		As at 31 st March 2016	
	Long-term	Short-term	Long-term	Short-term
Other loans and advances				
(Unsecured and considered good)				
Advance to suppliers	-	24,031,479	-	10,508,151
Taxes paid in advance (Net of provision for tax)	85,019,944	-	122,720,763	-
Balance with customs and excise	-	104,283,530	-	38,514,984
Advances to employees	-	4,045,300	810,855	2,718,060
Loans and advances (to wholly owned subsidiary companies)*	441,747,227	-	447,470,048	-
Prepaid expenses	2,041,199	16,631,520	-	7,165,642
(C)	528,808,370	148,991,829	571,001,666	58,906,837
(A+B+C)	600,856,323	148,991,829	594,696,235	58,906,837

* Loans and advances (to wholly owned subsidiary companies) includes an amount of ₹ 312,067,227 (US\$ 4,812,881) {Previous year ₹ 316,110,048 (US\$ 4,812,881)} recoverable from Optimistic Organic Sdn.Bhd. (OOSB). This represents amount recoverable by the Company from erstwhile TCL Industries (Malaysia) Sdn. Bhd. (TCL(M)). The liability was taken over by OOSB on winding up of TCL (M) and carries an interest of 6% per annum and is repayable over a period of Five Years as per the revised repayment schedule.

	As at 31 st March 2017	As at 31 st March 2016
15 Other non-current assets	6,800,000	-
Non-current bank balances (Also refer note 19)	6,800,000	-
16 Current investments		
(valued at lower of cost and fair value)		
Investments in mutual funds - Unquoted		
BOI AXA liquid fund - daily dividend	205,000,000	-
	205,000,000	-
Aggregate amount of		
-Unquoted investments	205,000,000	-
-Market value of quoted investments	207,154,865	-
17 Inventories		
(valued at lower of cost and net realizable value)		
Raw materials (refer note (a) below)	976,520,300	400,404,000
Work in progress	68,538,000	29,088,000
Finished goods (refer note (b) below)	209,206,156	83,443,087
Excise duty paid in advance for goods with agents and depots	18,577,843	11,522,407
Stock-in-trade	8,725,168	2,106,797
Stores and spares (refer note (c) below)	23,589,083	59,499,584
Fuel	4,586,000	2,432,000
Packing materials	6,797,000	4,737,000
	1,316,539,550	593,232,875

Note

- (a) Raw material includes material in transit of ₹ 486,300 (Previous year - Nil)
- (b) Finished goods includes material in transit of ₹ 153,883,340 (Previous Year - 52,383,479)
- (c) Stores and spares includes material in transit of ₹ 3,127,505 (Previous Year Nil)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

	As at 31 st March 2017	As at 31 st March 2016
18 Trade receivables		
(Unsecured considered good, unless stated otherwise)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	11,498,040	49,314,663
Considered doubtful	18,774,244	23,428,833
	<u>30,272,284</u>	<u>72,743,496</u>
Less : Provision for bad and doubtful debts	(18,774,244)	(23,428,833)
	(A) 11,498,040	49,314,663
Other debts (Also refer note 29 (c))	1,116,122,997	1,051,687,119
	(B) 1,116,122,997	1,051,687,119
Total (A)+(B)	1,127,621,037	1,101,001,782
Provision for bad and doubtful debts movement		
Balance at the beginning of the year	23,428,833	17,083,945
Created during the year, net	67,885	11,035,673
Utilised during the year	(4,722,474)	(4,690,785)
Balance at the end of the year	<u>18,774,244</u>	<u>23,428,833</u>
19 Cash and bank balances		
Cash and cash equivalents		
Balances with banks - in current accounts	126,109,664	4,854,093
Cash on hand	266,557	128,422
	(A) 126,376,221	4,982,515
Other bank balances		
Balances with bank held as margin money against letters of credit issued by banks	202,025,900	106,186,665
Deposits with maturity more than 12 months	6,800,000	-
Unpaid dividend account	1,859,348	1,863,760
	(B) 210,685,248	108,050,425
Less : Amounts disclosed as other non-current assets	(C) 6,800,000	-
Total (A+B-C)	330,261,469	113,032,940
20 Other current assets		
(Unsecured, considered good)		
Assets held for disposal	12,802,972	12,802,972
Receivable from wholly owned subsidiary	154,826,088	231,595,800
Others	22,807,027	20,324,878
	<u>190,436,087</u>	<u>264,723,650</u>
21 Revenue from operations		
Sale of products		
Manufactured goods	9,376,048,093	8,494,612,885
Traded goods	21,657,942	31,777,158
Revenue from operations (Gross)	9,397,706,035	8,526,390,043
Less: Excise duty recovered on sales	(873,772,070)	(790,979,446)
Revenue from operations (Net)	8,523,933,965	7,735,410,597

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

	As at 31 st March 2017	As at 31 st March 2016
Other operating revenues, net		
Sales of power from wind operated generators	14,394,022	9,696,758
Income from letting out of storage facility	32,004,756	31,971,268
Duty drawback and export benefits	39,290,911	21,512,361
Sale of scrap (net of taxes recovered)	5,035,741	5,794,123
	<u>90,725,430</u>	<u>68,974,510</u>
	<u>8,614,659,395</u>	<u>7,804,385,107</u>
Details of manufactured products sold		
Organic and other chemicals	9,376,048,093	8,494,612,885
Details of traded products sold		
Organic and other chemicals	1,145,362	9,679,167
Stores and spares	20,512,580	22,097,991
	<u>21,657,942</u>	<u>31,777,158</u>
22 Other income		
Interest income (Gross) - (Tax deducted at source ₹ 2,556,493 (Previous Year ₹ 3,207,985))	43,215,249	44,431,083
Dividend income from mutual funds and other non-current investments	2,754,358	19,864,688
Profit on sale of tangible assets	201,256	199,721
Profit on sale of non-current investments	14,880	-
Rent received	3,967,709	4,107,643
Net gain on foreign currency transaction / translation	-	20,447,423
Expenses and services recharged	18,238,378	16,945,358
Insurance claims	445,331	1,393,666
Miscellaneous receipts	8,923,125	9,318,562
	<u>77,760,286</u>	<u>116,708,144</u>
23 Cost of materials consumed and purchase of stock-in-trade		
Inventory at the beginning of the year	400,404,000	363,232,571
Add : Purchases during the year	6,559,394,858	5,636,661,478
	<u>6,959,798,858</u>	<u>5,999,894,049</u>
Less: Sales	38,335,985	25,792,316
Less: Inventory at the end of the year	976,520,300	400,404,000
	<u>5,944,942,573</u>	<u>5,573,697,733</u>
Details of raw materials consumed		
Organic and other chemicals	5,944,942,573	5,573,697,733
Purchase of stock-in-trade		
Purchase of organic and other chemicals	695,277	6,852,824
Purchase of machinery and spares	23,710,853	17,192,674
	<u>24,406,130</u>	<u>24,045,498</u>
24 Changes in inventories		
Opening stock		
Finished goods	83,443,087	124,441,000
Work in progress	29,088,000	70,705,000
Stock of trading items	2,106,797	3,400,677
	<u>114,637,884</u>	<u>198,546,677</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

	As at 31 st March 2017	As at 31 st March 2016
24 Changes in inventories (Continued)		
Closing stock		
Finished goods	209,206,156	83,443,087
Work in progress	68,538,000	29,088,000
Stock of trading items	8,725,168	2,106,797
	<u>286,469,324</u>	<u>114,637,884</u>
Excise duty on inventories, net	(2,147,293)	4,821,272
Changes in inventories	<u>(169,684,147)</u>	<u>79,087,521</u>
Details of stock of trading items		
Opening stock		
Organic and other chemicals	39,768	155,896
Machinery and spares	2,067,029	3,244,781
	<u>2,106,797</u>	<u>3,400,677</u>
Closing stock		
Organic and other chemicals	-	39,768
Machinery and spares	8,725,168	2,067,029
	<u>8,725,168</u>	<u>2,106,797</u>
25 Employee benefits expense		
Salaries and wages	279,418,735	255,787,621
Gratuity expense (Also refer note 8(a))	11,336,715	9,277,516
Contribution to provident fund and other funds (Also refer note 8(b))	21,713,761	18,402,685
Staff welfare expenses	11,888,103	9,249,870
	<u>324,357,314</u>	<u>292,717,692</u>
26 Depreciation and amortisation expense		
Depreciation of tangible assets (Refer note 12)	141,404,793	107,974,258
	<u>141,404,793</u>	<u>107,974,258</u>
27 Finance costs		
Interest expense	83,206,292	137,583,455
Exchange differences regarded as an adjustment to borrowing costs	1,677,991	2,150,139
Interest on short fall on payment of advance tax	4,843,861	3,074,010
Other borrowing costs	60,589,131	66,916,020
	<u>150,317,275</u>	<u>209,723,624</u>
28 Other expenses		
Stores and spares consumed	48,476,589	42,687,964
Power and fuel	264,111,999	180,143,559
Repairs and maintenance		
Machinery	61,281,159	36,292,338
Buildings	17,606,530	13,803,532
Others	8,067,832	5,096,220
Packing expenses and materials consumed	90,882,953	94,694,686
Freight and forwarding	369,432,579	366,775,767
Commission and brokerage	18,186,756	23,336,439

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

	As at 31 st March 2017	As at 31 st March 2016
28 Other expenses (Continued)		
Rent	18,132,587	7,633,104
Rates and taxes	8,068,072	1,926,929
Insurance	9,211,799	9,173,523
Travelling and conveyance	30,287,193	26,563,659
Communication expenses	4,638,632	4,429,873
Research and development expenses (Also refer note 33)	27,106,332	18,312,423
Expenses on wind operated generators	3,711,418	3,817,362
Legal and professional charges (Also refer note (a) below)	35,199,945	32,425,329
Commission to non-executive Directors	11,882,800	6,901,516
Bad debts/ Sundry balance written off (net)	-	4,773,813
Provision for doubtful debts	67,885	9,793,665
Loss on foreign currency transaction / translation (net)	3,260,388	-
Corporate social responsibility expenditure (Also refer note 36)	6,000,000	6,000,000
Donation	9,530,000	130,000
Cash discounts and rebates	42,472,168	39,335,485
Miscellaneous expenses	58,614,584	59,732,975
	<u>1,146,230,200</u>	<u>993,780,161</u>
Note :		
(a) Payment to auditors*		
Statutory audit	1,850,000	1,000,000
Limited review and other certification	700,000	605,000
Taxation and other matters	-	360,000
Tax Audit	250,000	225,000
	<u>2,800,000</u>	<u>2,190,000</u>

*Previous year figures represent fees paid to predecessor auditor. The above fees excludes applicable taxes.

29 Related parties

a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Subsidiary Companies	Tarderiv International Pte Limited (subsidiary Company) (TIPL) Cheminvest Pte Limited (Step down subsidiary) (CPL) Optimistic Organic Sdn Bhd (Step down subsidiary)(OOSB) Lapiz Europe Limited (step down subsidiary) (LEL)
Key Management Personnel	Mr. R.Parthasarathy (Managing Director) Mrs. Ramya Bharathram (Executive Director) Mr. C.G Sethuram (Chief Executive Officer) Mr. P Mohana Chandran Nair (Executive Director) Mr. P Krishnamoorthy (Chief Financial Officer) Mr. T Rajagopalan (Company Secretary)
Relatives of Directors	Mr. S.Varadharajan (relative of S Santhanam) Mr. S. Narayan (relative of S Santhanam)
Enterprise over which the Key Managerial Personnel and their relatives are able to exercise significant influence	Ultramarine and Pigments Limited (UPL) Thirumalai Charity Trust (TCT)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

b) Transactions with related parties

Transaction	Related Party	Year ended 31 st March 2017	Year ended 31 st March 2016
Remuneration to Key Managerial Personnel	Mr. R.Parthasarathy*	27,703,527	28,896,917
	Mrs. Ramya Bharathram	14,572,940	10,232,000
	Mr. P Mohana Chandran Nair	4,052,285	2,278,994
	Key Managerial Personnel other than Directors	28,138,015	20,726,451
	Relatives of Directors	3,394,418	4,019,474
Remuneration paid to relative of Directors and Key managerial personnel	Mr. S.Varadharajan	2,853,101	2,199,528
	Mr. S.Narayan	541,317	1,819,946
Purchase of Goods	Optimistic Organic Sdn Bhd	207,829,849	225,584,298
	Ultramarine and Pigments Limited	43,037	42,194
	Thirumalai Charity Trust	45,787	39,755
Sale of Goods	Optimistic Organic Sdn Bhd	38,702,593	44,831,534
	Thirumalai Charity Trust	-	789
Rendering of Services	Optimistic Organic Sdn Bhd	13,194,414	11,696,817
	Ultramarine and Pigments Limited	4,372,174	4,487,386
	Mr. R.Parthasarathy	-	12,000
Receipt of Services	Tarderiv International Pte Limited	880,280	-
	Ultramarine and Pigments Limited	204,915	-
	Thirumalai Charity Trust	417,008	135,548
Guarantee Commission	Optimistic Organic Sdn Bhd	5,043,964	5,248,541
Donation given	Thirumalai Charity Trust	15,000,000	6,000,000
Interest Income on Loan Given	Optimistic Organic Sdn Bhd	19,294,751	19,136,948
	Tarderiv International Pte Limited	9,617,333	8,630,902

*Not included in the above is a payment amounting to ₹ 21,807,692 made towards gratuity, a defined benefit plan.

c) Balances with related parties

Particulars	Related Party	As at 31 st March 2017	As at 31 st March 2016
Trade receivables	Optimistic Organic Sdn Bhd	44,893,468	65,675,956
	Ultramarine and Pigments Limited	299,158	384,300
Other receivables	Optimistic Organic Sdn Bhd	114,090,778	198,368,046
	Tarderiv International Pte Limited	40,735,353	33,227,754
Trade payables	Optimistic Organic Sdn Bhd	53,840,843	-
	Thirumalai Charity Trust	9,893	-
Deposits payable	Ultramarine and Pigments Limited	1,400,000	1,400,000
Loans	Optimistic Organic Sdn Bhd	312,067,227	316,110,048
	Tarderiv International Pte Limited	129,680,000	131,360,000

d) Maximum amount due at any time during the year

	As at 31 st March 2017	As at 31 st March 2016
Optimistic Organic Sdn Bhd	514,478,094	514,478,094
Tarderiv International Pte Limited	170,415,353	164,587,754

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

	Year ended 31 st March 2017	Year ended 31 st March 2016
30 Value of imports on C.I.F. basis		
Raw materials	691,393,060	250,954,136
Spare part and others	11,085,367	10,532,923
Catalyst	<u>61,018,082</u>	<u>60,440,319</u>
	<u>763,496,509</u>	<u>321,927,378</u>
31 Expenditure in foreign currency (accrual basis)		
Professional charges	10,815,487	5,619,555
Interest charges	242,997	8,851,759
Travelling and conveyance and other miscellaneous expenses	<u>21,499,818</u>	<u>14,764,158</u>
	<u>32,558,302</u>	<u>29,235,472</u>
32 Earnings per equity share (EPS)		
Profit attributable to equity shareholders (A)	754,619,049	427,282,376
Weighted average number of equity shares (for both basic and diluted EPS) (B)	10,238,812	10,238,812
Basic and diluted earnings per equity share (A/B)	73.71	41.73
33 The Company has spent towards Research and Development expenses during the year which are as under*		
Capital expenditure	21,755	-
Revenue expenditure (Also refer note 28)	<u>27,106,332</u>	<u>18,312,423</u>
	<u>27,128,087</u>	<u>18,312,423</u>

* The summary is prepared based on the information available with the Company and is relied upon by the auditors.

34 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes (SBN) or other denomination note as defined in the MCA notification G.S.R.308(E) dated 30th March 2017. The details of SBN held and transacted during the period from 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification are as follows:-

Particulars	SBNs*	Other denomination notes	Total In ₹
Closing cash on hand as at 08 November 2016	261,500	4,981	266,481
(+) Permitted receipts	-	691,377	691,377
(-) Permitted payments	-	541,718	541,718
(-) Amount deposited in Banks	2,61,500	-	261,500
Closing cash in hand as on 30 December 2016	-	154,640	154,640

*For the purpose of this clause, the term "Specified Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 08 November 2016.

35 Derivative instruments and unhedged foreign currency exposure

The Company does not have any derivative instruments as at 31st March 2017. Particulars of unhedged foreign currency exposure as at the 31st March 2017 is provided below :-

Particulars	Year ended 31 st March 2017			Year ended 31 st March 2016		
	In USD	In Euro	In INR	In USD	In Euro	In INR
a) Receivables						
Trade receivables	4,207,095	-	272,788,042	4,407,020	-	289,453,096
Loans	6,812,881	-	441,747,227	6,812,881	-	447,470,048
Other receivables	<u>958,818</u>	<u>11,630</u>	<u>63,016,867</u>	<u>-</u>	<u>2,085,576</u>	<u>137,106,694</u>
	<u>11,978,794</u>	<u>11,630</u>	<u>777,552,136</u>	<u>11,219,901</u>	<u>2,085,576</u>	<u>874,029,838</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

Particulars	Year ended 31 st March 2017			Year ended 31 st March 2016		
	In USD	In Euro	In INR	In USD	In Euro	In INR
b) Payables						
Trade payables	1,053,266	-	68,293,744	78,381	-	5,239,756
Loans	-	-	-	250,000	-	16,712,500
Other payables	5,830,360	-	378,040,544	-	251,041	16,779,747
	<u>6,883,626</u>	<u>-</u>	<u>446,334,288</u>	<u>328,381</u>	<u>251,041</u>	<u>38,732,003</u>

36 Corporate social responsibility expenditure

	Year ended 31 st March 2017			Year ended 31 st March 2016		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(a) Gross amount required to be spent by the Company during the year			5,867,520			4,483,640
(b) Amount spent during the year on						
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	6,000,000	-	6,000,000	6,000,000	-	6,000,000
	<u>6,000,000</u>	<u>-</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>-</u>	<u>6,000,000</u>
(c) Name of the related party with regard to CSR contribution	Thirumalai Charity Trust			Thirumalai Charity Trust		
(d) Whether any provision made based on contractual obligation to undertake CSR activity	No			No		

37 Value of imported and indigenous raw materials, stores and spares consumed

	Year ended 31 st March 2017		Year ended 31 st March 2016	
	In ₹	%	In ₹	%
Raw materials				
Imported	636,419,517	11%	318,713,633	6%
Indigenous	5,308,523,056	89%	5,254,984,100	94%
	<u>5,944,942,573</u>	<u>100%</u>	<u>5,573,697,733</u>	<u>100%</u>
Stores and spares				
Imported	3,498,796	7%	4,100,062	10%
Indigenous	44,977,793	93%	38,587,902	90%
	<u>48,476,589</u>	<u>100%</u>	<u>42,687,964</u>	<u>100%</u>

38 Earnings in foreign currency

	Year ended 31 st March 2017	Year ended 31 st March 2016
On export of goods calculated on FOB Basis	1,088,828,672	1,023,825,258
Interest income	28,912,084	27,767,850
Expenses and Services recharged	18,238,378	16,945,358
	<u>1,135,979,134</u>	<u>1,068,538,466</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(in ₹)

39 Commitments and contingent liabilities

(A) Commitments

Estimated amount of contracts to be executed on capital account and not provided for
- Against which advances paid
Other commitments are cancellable at the option of the Company and hence not disclosed.

(B) Guarantees

Corporate guarantee issued by the Company on behalf of its subsidiary

(C) Contingent liabilities

Indirect tax matters under dispute (Refer note (i) below)

Income tax demand including interest contested in Appeal (Refer note (ii) below)

Other claims against the Company not acknowledged as debts

Year ended 31 st March 2017	Year ended 31 st March 2016
319,178,806	42,411,689
51,577,738	13,503,517
468,643,200	552,640,000
16,469,694	8,448,007
46,165,467	51,052,250
32,420,000	46,433,000
95,055,161	105,933,257

(i) The sales tax authorities have issued notices to the Company whereby the authorities have disputed the method of availment of deferral sales tax on monthly pro-rata basis for the period April 2000 to April 2006 amounting to ₹ 8,448,007 (Previous year ₹ 8,448,007). The Company has filed a writ petition against these notices in the High Court. The Company does not expect any liability to crystallize on this account. Further, no provision has been made in respect of disputed demands from sales-tax Authorities to the extent of ₹ 8,027,687 (Previous Year ₹ Nil) since the Company has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous. Against the above, the Company has already paid ₹ 1,910,796 (Previous year ₹ Nil).

(ii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹ 46,165,467 (Previous Year ₹ 51,052,250) since the Company has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous. Against the above the Company has already paid ₹ 28,135,277 (Previous year ₹ 30,627,270).

40 Segment reporting

The Company publishes standalone financial statements along with the consolidated financial statements in the annual report. In accordance with Accounting Standard 17, Segment Reporting, the Company has disclosed the segment information in the consolidated financial statements.

This is the Summary of Significant
accounting Policies and other explanatory
information referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner

PLACE : CHENNAI
DATE : 20 MAY 2017

**For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited**

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER

PLACE : CHENNAI
DATE : 20 MAY 2017

R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

T. RAJAGOPALAN
COMPANY SECRETARY

**CONSOLIDATED
2016-2017**

Independent Auditor's Report

To the Members of Thirumalai Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Thirumalai Chemicals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹3,730,841,737 and net assets of ₹625,179,221 as at 31st March 2017, total revenues of ₹ 1,971,299,095 and net cash outflows amounting to ₹456,707 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Further, all four subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which

have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

The financial statements of the Company as at and for the year ended 31st March 2016 were audited by the Company's previous auditors CNK & Associates LLP, whose report dated 14 May 2016, expressed an unqualified opinion on those financial statements. The balances as at 31st March 2016 as per the audited financial statements, regrouped and/or reclassified wherever necessary, have been considered as opening balances for the purpose of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the Directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the Directors of the Group companies, covered under

the Act, are disqualified as on 31st March 2017 from being appointed as a Director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act, if any, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 32 to the consolidated financial statements.
 - (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act, if any;
 - (iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company, and its subsidiary companies covered under the Act, if any. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Sumesh E S**

Partner

Membership No.: 206931

Place: Chennai

Date: 20 May 2017

Annexure 'A' to the Independent Auditor's Report

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Thirumalai Chemicals Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, which is a Company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of the Company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the IFCoFR of the Holding Company. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company.

Meaning of Internal Financial Controls over Financial Reporting

A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Sumesh E S**

Partner

Membership No.: 206931

Place: Chennai

Date: 20 May 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

		(in ₹)	
Particulars	Note	As at 31 st March 2017	As at 31 st March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	4	102,410,620	102,410,620
(b) Reserves and surplus	5	2,856,785,420	2,084,910,402
		<u>2,959,196,040</u>	<u>2,187,321,022</u>
(2) Non-current liabilities			
(a) Long-term borrowings	6	116,795,821	236,354,710
(b) Deferred tax liabilities, net	7	251,450,808	188,035,744
(c) Long-term provisions	8	69,133,080	78,785,566
		<u>437,379,709</u>	<u>503,176,020</u>
(3) Current liabilities			
(a) Short-term borrowings	9	187,927,469	419,507,636
(b) Trade payables	10		
(i) Total outstanding dues of micro enterprises and small enterprises		745,776	446,498
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,571,305,272	1,650,401,102
(c) Other current liabilities	11	490,610,343	396,109,432
(d) Short-term provisions	8	23,192,992	46,560,337
		<u>3,273,781,852</u>	<u>2,513,025,005</u>
TOTAL		<u>6,670,357,601</u>	<u>5,203,522,047</u>
II. ASSETS			
Non-current assets			
(1) (a) Fixed assets			
(i) Tangible assets	12	2,663,959,796	2,557,295,588
(ii) Capital work-in-progress		91,746,583	177,076,880
(iii) Intangible assets under development		2,074,301	-
(b) Non-current investments	13	54,279,235	54,279,855
(c) Long-term loans and advances	14	159,109,096	146,672,801
(d) Other non-current assets	15	6,800,000	-
		<u>2,977,969,011</u>	<u>2,935,325,124</u>
(2) Current assets			
(a) Current investments	16	205,000,000	-
(b) Inventories	17	1,516,510,397	690,935,598
(c) Trade receivables	18	1,379,974,129	1,293,509,209
(d) Cash and bank balances	19	357,503,727	140,159,700
(e) Short-term loans and advances	14	191,300,237	81,516,962
(f) Other current assets	20	42,100,100	62,075,454
		<u>3,692,388,590</u>	<u>2,268,196,923</u>
TOTAL		<u>6,670,357,601</u>	<u>5,203,522,047</u>

Notes 1 to 35 form an integral part of these consolidated financial statements

This is the balance sheet referred
to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner

PLACE : CHENNAI
DATE : 20 MAY 2017

For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER

PLACE : CHENNAI
DATE : 20 MAY 2017

R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

T. RAJAGOPALAN
COMPANY SECRETARY

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2017

(in ₹)

	Note	Year ended 31 st March 2017	Year ended 31 st March 2016
I Revenue			
Revenue from operations (Gross)	21	11,201,350,176	10,232,700,460
Less : Excise duty		873,772,070	790,979,446
Revenue from operations (Net)		10,327,578,106	9,441,721,014
II Other income	22	41,356,295	51,909,261
III Total revenue		10,368,934,401	9,493,630,275
IV Expenses			
Cost of materials consumed	23	7,006,777,888	6,491,953,074
Purchase of stock-in-trade	23	9,199,894	2,574,342
Changes in inventories	24	(270,325,505)	77,323,521
Employee benefits expense	25	454,708,586	418,163,453
Depreciation and amortisation expense	26	361,953,931	251,337,520
Finance costs	27	167,280,800	230,548,891
Other expenses	28	1,547,266,095	1,473,373,157
Total expenses		9,276,861,689	8,945,273,958
V Profit before tax		1,092,072,712	548,356,317
VI Tax expense			
Current tax		391,503,967	236,477,642
Deferred tax		3,986,605	(14,177,897)
Tax relating to prior years		(8,865,743)	4,536,419
		386,624,829	226,836,164
VII Profit for the year attributable to equity shareholders		705,447,883	321,520,153
VIII Earnings per equity share (Nominal value ₹ 10 per share)	30		
- Weighted average number of equity shares (Nos)		10,238,812	10,238,812
- Basic and diluted		68.90	31.40

Notes 1 to 35 form an integral part of these consolidated financial statements

This is the Statement of Profit and loss
referred to in on report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner

PLACE : CHENNAI
DATE : 20 MAY 2017
**For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited**
R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER

PLACE : CHENNAI
DATE : 20 MAY 2017
R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

T. RAJAGOPALAN
COMPANY SECRETARY

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Year ended 31 st March 2017	Year ended 31 st March 2016
A. Cash Flow From Operating Activities		
Profit before tax	1,092,072,712	548,356,317
Adjustments for:		
Depreciation and amortization	361,953,931	251,337,520
Impairment of assets	13,474,614	
Finance costs	167,280,800	230,548,891
Interest income	(14,983,752)	(18,471,434)
Dividend income from mutual funds and other non-current investments	(2,754,358)	(19,864,688)
Profit on sale of tangible assets, net	(6,060,143)	(199,721)
Provision for employee benefits	17,458,000	12,622,394
Profit on sale of non-current investments	(14,880)	-
Provision for doubtful debts	67,885	9,793,665
Unrealised forex gain/(loss), net	(17,778,271)	78,390,510
Operating profit before working capital changes	518,643,826	544,157,137
Adjustments for		
(Increase) / decrease in trade and other receivables	(188,020,814)	283,785,663
(Increase) / decrease in inventories	(877,357,569)	56,218,282
Increase / (decrease) in trade and other payables	956,159,877	5,610,537
Cash Generated From Operations	1,501,498,032	1,438,127,936
Income taxes paid (net)	(336,177,467)	(181,170,934)
Net Cash Inflow / (Outflow) From Operations	1,165,320,565	1,256,957,002
B. Cash Flow From Investment Activities		
Proceeds from sale of fixed assets	12,886,724	280,756
Aggregate cashflow from acquisition of subsidiary	-	27,958
Purchase of fixed assets and capital work in progress	(306,800,933)	(281,354,216)
Interest received	15,154,334	12,926,644
Proceeds from sale of non-current investments	15,500	-
Movement in bank deposits	(103,277,819)	(74,883,080)
Purchase of current investments	(205,000,000)	-
Dividend income from mutual funds and other non-current investments	2,754,358	19,864,688
Net cash used in investing activities	(584,267,836)	(323,137,250)
C. Cash Flow From Finance Activities		
Repayment of long term borrowings	(60,377,103)	(156,669,376)
Repayment of short term borrowings (net)	(231,580,167)	(372,999,742)
Interest on borrowings	(167,280,800)	(230,548,891)
Dividend paid (including dividend tax)	-	(172,526,613)
Net cash used in financing activities	(459,238,070)	(932,744,622)
D. Net cash flows during the year	121,814,659	1,075,130
Effects of foreign currency translation	(948,451)	1,372,582
E. Cash and cash equivalents at the beginning	10,376,322	7,928,610
F. Cash and cash equivalents at the end	131,242,530	10,376,322
Cash and cash equivalents comprise of:		
Cash on hand	275,094	160,869
Balances with banks - in current accounts	130,967,436	10,215,453
Cash and cash equivalents as per note 19	131,242,530	10,376,322

This is the cash flow statement referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sumesh E S**
Partner

Place : Chennai

Date : 20 May 2017

For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited

R Parthasarathy
Managing Director
(DIN : 00092172)

P Krishnamoorthy
Chief Financial Officer

Place : Chennai

Date : 20 May 2017

R Ravishankar
Independent Director
(DIN : 01224361)

T Rajagopalan
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1 General information

Thirumalai Chemicals Limited ('the Holding Company') is a public limited Company domiciled in India. Its shares are listed on stock exchanges in India. The Group is engaged in manufacturing and selling chemicals. The Group caters to both domestic and international markets.

All amounts in the consolidated financial statements are presented in Rupees except per share data and as otherwise stated. Figures for the previous year have been regrouped / rearranged wherever considered necessary to conform to the figures presented in the current year. The previous year figures have been audited by a firm other than Walker Chandio & Co LLP.

The requirements under paragraph 5(ii)(c) of Part II of Schedule III to the Companies Act, 2013 are not applicable to the Group for the current year.

2 Summary of significant accounting policies

2.1 Basis of accounting

The consolidated financial statements comprises of the Holding Company and its subsidiaries (collectively referred to as "the Group") are prepared under the historic cost convention on accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") applicable in India. GAAP comprises mandatory accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India, the provisions of Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied as in the previous year. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies as listed below. The financial statements of the subsidiary undertakings forming part of these consolidated financial statements are drawn up to 31st March 2017. Subsidiaries are entities over which the Company has the ability to control the financial and operating policies. All material inter-Company transactions and accounts are eliminated on consolidation.

Name of the subsidiary	Country of incorporation	% of holding either directly or through subsidiary	
		As at 31 st March 2017	As at 31 st March 2016
Tarderiv International Pvt. Ltd. (Tarderiv)	Singapore	100	100
Lapiz Europe Limited (Lapiz)	United Kingdom	100	100
Cheminvest Pvt. Ltd. (Cheminvest)	Singapore	100	100
Optimistic Organic Sdn Bhd. (OOSB)	Malaysia	100	100

2.3 Principles of consolidation:

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting

Standard 21 (AS 21) on Consolidated Financial Statements, as specified in the standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India.

The financial statements of the parent Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transaction and unrealized profits in full. Unrealized losses resulting from intra-group transactions are also eliminated except to the extent recoverable value of related assets is lower than their cost to the Group. Profit or loss of subsidiaries acquired or disposed of during the year is recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Indian rupee is the reporting currency for the group. However, the reporting currencies of non-integral overseas subsidiaries are different from the reporting currency of the group. The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of profit and loss are translated at the average exchange rates for the year. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

The difference between cost of investment in a subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as goodwill or capital reserve as the case may be. For this purpose, the Company's share of net-worth is determined on the basis of latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

As per Accounting Standard 21 - Consolidated Financial Statements prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the parent having no bearing on the true and fair view of the consolidated financial statements of the group is not disclosed in the consolidated financial statements.

Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries.

Name of the entity	Net Assets		Share in profit or loss	
	As a % Consolidated Net Assets	Amount ₹	As a % of Consolidated Profit or (Loss)	Amount ₹
Thirumalai Chemicals Limited	78.9%	2,333,797,917	100.9%	711,814,633

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Optimistic Organic Sdn Bhd	17.6%	522,172,932	-1.8%	(13,011,793)
Tarderv International Pvt. Ltd	3.2%	95,948,031	1.3%	9,398,267
Cheminvest Pvt. Ltd.	0.2%	7,280,597	-0.4%	(2,635,440)
Lapiz Europe Limited	0.0%	(3,436)	0.0%	(117,784)
	100%	2,959,196,041	100%	705,447,883

2.4 Use of estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and the result of operations during the reporting periods. Significant estimate include provision for doubtful debts and loans and advances, provision for income and deferred taxes, future obligation under employee benefit plans, estimated useful life of tangible assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates and any revision to accounting estimates is recognized prospectively in the current and future periods.

Assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle up to twelve months for the purpose of current – non-current classification of assets and liabilities.

2.5 Revenue recognition

Revenue is measured on the basis of consideration received or receivable by the Group for goods supplied, excluding trade discounts, rebates and other applicable taxes and are recognised upon the transfer of risk to the customer.

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Group, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Group's different activities has been met. These activity-specific recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

Sale of goods:

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which coincides with dispatch or delivery of goods to customers as per terms of agreement with customers. Sales include excise duty, where applicable but exclude other taxes and is net of rebates and discounts.

Income from wind operated generators:

Revenue from sale of power is recognized on the basis of electrical units generated and transmitted to the grid of Electricity Board at prescribed rate as per agreement of sale.

Income from operating lease:

Lease income from operating leases are recognised in the Statement of profit and loss on a straight line basis over the lease term. In case of cancellable lease arrangements it is accounted on accrual basis.

Sale of scrap:

Revenue from sale of scrap is recognized as and when scrap is sold.

Dividend and interest income:

Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on the time proportionate method taking in to account the amount outstanding and the rate applicable.

Export benefits:

Income from duty drawback and export benefit under duty free credit entitlements is recognized in the Statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds, as applicable.

2.6 Tangible assets and depreciation/ amortization

Tangible assets are carried at the cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. The cost of tangible assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Assets which are retired from active use and are held for disposal are stated at the lower of their net book value or net realizable value. Cost of tangible assets not ready for the intended use as at balance sheet date are disclosed as "capital work in progress".

Subsequent expenditure incurred on an item of tangible asset is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance. Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of an asset and are recognised in the Statement of profit and loss when the asset is derecognised.

Tangible assets held for sale or retired from active use are stated at the lower of their net book value and net realisable value and shown separately in the consolidated financial statements. In addition, any expected loss is recognized immediately in the Statement of profit and loss.

Depreciation and amortization:

- Premium on lease hold land is amortized over the period of lease.
- Depreciation on tangible assets is provided over its useful life specified in Schedule II to the Companies Act, 2013 or based on the useful life of the assets as estimated by Management based on technical evaluation and advice.
- The Management's estimates of the useful life of various categories of fixed assets where estimates of useful life are lower than the useful life specified in Part C of Schedule II to the Companies Act, 2013 are as under:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Asset category	Useful life
Specific laboratory equipment	5 years
Office equipment (mobile phones)	2 years
Catalyst	3 years

- d) Depreciation on tangible assets is provided as per the methods stated below:

Buildings and road	Straight line method
Plant and equipment	Straight line method
Wind operated generators	Straight line method
Furniture and fixtures	Written down value method
Vehicles	Written down value method
Office equipment	Written down value method
Computer equipments	Written down value method

2.7 Research and development expenses

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized as expense in the Statement of profit and loss when incurred.

Expenditure incurred on fixed assets used for research and development is capitalized and depreciated in accordance with the depreciation policy of the Group.

2.8 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's or cash generating unit's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows from continuing use that are largely independent of those from other assets or group of assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the Statement of profit and loss.

2.9 Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Long-term investments are valued at cost. Provision is made for diminution in value to recognize a decline, if any, other than that of temporary in nature. Current investments are valued at lower of cost and fair market value. Gains or losses that arise on disposal of an investment are measured as the difference between disposal proceeds and the carrying value and are recognised in the Statement of profit and loss.

2.10 Inventories

Raw materials:

Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on First in First out basis.

Work in progress and finished goods:

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes the combined cost of material, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty, wherever applicable. Cost is determined on a First in First out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Stores and Spares:

Stores and spares consists of packing materials, engineering spares and consumables (such as lubricants, cotton waste and oils), which are used in operating machines or consumed as indirect materials in the manufacturing process, has been valued using weighted average cost method.

The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

2.11 Retirement and other employee benefits

Provident fund:

The Group makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 (applicable in India for employees of the Holding Company), which is a defined contribution plan, and contribution paid or payable is recognized as an expense in the period in which it falls due.

Gratuity:

Gratuity is a post-employment benefit and is in the nature of a defined benefit obligation. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such losses or gains are determined.

Compensated absences:

Liability in respect of compensated absences becoming due or expected to be availed after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such losses or gains are determined.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits.

Superannuation Fund:

Contribution made towards approved Superannuation fund which is a defined contribution plan, is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

2.12 Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions duly approximated. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are converted using the foreign exchange rates as at the balance sheet date. The resultant exchange differences are recognized in the Statement of profit and loss. Non-monetary assets and liabilities are not translated.

Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the enterprise's consolidated financial statements. Such exchange differences are recognized in the Statement of profit and loss in the event of disposal of the net investment.

With respect to forward contracts, the premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the year.

2.13 Borrowing cost

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Exchange differences to the extent they are arising from foreign currency borrowings are regarded as an adjustment to interest costs.

2.14 Leases

The lease arrangement is classified as either a finance lease or an operating lease, at the inception of the lease, based on the substance of the lease arrangement.

Finance leases:

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the Group is a lessee in such type of arrangements, the related assets are recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance lease liability. Leases of land and buildings are classified

separately and are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is recognised initially. The corresponding finance lease liability is reduced by lease payments net of finance charges. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to the Statement of profit and loss, as finance costs over the period of the lease.

Operating leases:

Leases where the lessor, effectively retains substantially all the risks and benefits of ownership of the leased asset is classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

2.15 Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.16 Taxation

Tax expense comprises of current and deferred tax. The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Group. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against

current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Group writes-down the carrying amount

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

2.17 Contingent liabilities and provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent liabilities are disclosed for:

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Group, or
- (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

Contingent assets are not recognized in the financial statements, since this may result in recognition of income that may never be realized.

2.18 Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

2.19 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.20 Transfer pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which

have been prescribed. The transfer pricing study for the fiscal year ended 31st March 2017 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Company's results.

2.21 Translation of integral and non-integral foreign operations

The group classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations".

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of profit and loss are translated at the average exchange rates for the year. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the Statement of profit and loss.

2.22 Segment reporting

Segments are identified in line with AS-17 "Segment Reporting", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

Identification of Segment

Based on the Group's business model, chemical products and power generation from wind operated generators have been considered as the reportable business segments. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

Inter segment transfers

The Group accounts for inter segment revenues at current market prices.

Unallocated items

Unallocable income and expenses includes general corporate income and expense items which are not allocated to any business segment.

3 Corporate social responsibility

As mandated by Section 135 of the Companies Act, 2013, the Holding Company has constituted a CSR committee. The Holding Company has identified areas for its CSR activities as specified in schedule VII of the Companies Act, 2013 and incurred expenses as disclosed in Note 33 to these consolidated financial statements towards such activities. There are no other subsidiary companies which is incorporated in India.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

	As at 31 st March 2017		As at 31 st March 2016	
	Nos.	Amount	Nos.	Amount
4 Share capital				
Authorised				
Equity shares of ₹ 10 each	15,000,000	150,000,000	15,000,000	150,000,000
Unclassified shares of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000
	<u>25,000,000</u>	<u>250,000,000</u>	<u>25,000,000</u>	<u>250,000,000</u>
Issued				
Equity shares of ₹ 10 each	10,242,812	102,428,120	10,242,812	102,428,120
	<u>10,242,812</u>	<u>102,428,120</u>	<u>10,242,812</u>	<u>102,428,120</u>
Subscribed and fully paid-up				
Equity shares of ₹ 10 each	10,238,812	102,388,120	10,238,812	102,388,120
Add: Amount paid up on forfeited shares	4,000	22,500	4,000	22,500
	<u>10,242,812</u>	<u>102,410,620</u>	<u>10,242,812</u>	<u>102,410,620</u>

a) There is no change in issued and subscribed share capital during the year.

b) Terms/ rights attached to equity shares

The Holding Company has equity shares having a par value of ₹ 10. The Holding Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which is approved by the Board of Directors. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be proportional to the number of equity shares held by the shareholders.

The board in its meeting on 20 May 2017 has recommended a final dividend of ₹ 18.75 per equity share for the financial year ended 31st March 2017. The recommendation is subject to the approval of shareholders at the annual general meeting and if approved would result in a cash outflow of approximately ₹ 231,059,873 including corporate dividend tax.

c) Shareholders holding more than 5% of the aggregate shares in the Holding Company

	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each				
Ultramarine and Pigments Limited	2,045,177	19.97%	2,045,177	19.97%
Jasmine Limited	655,005	6.39%	655,005	6.39%
Anil Kumar Goel	230,000	2.25%	531,000	5.19%
	<u>2,930,182</u>		<u>3,231,182</u>	

d) The Company had forfeited 4,000 equity shares in the previous years on which amount originally paid up was ₹ 22,500.

e) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and buy back of shares during the last 5 years immediately preceding 31st March 2017.

	As at 31 st March 2017	As at 31 st March 2016
5 Reserves and surplus		
Securities premium account		
Balance at the beginning of the year	197,069,526	197,069,526
Add : Additions made during the year	-	-
Balance at the end of the year	<u>197,069,526</u>	<u>197,069,526</u>
Capital reserve on acquisition		
Balance at the beginning of the year	356,971,327	356,971,327
Less : Adjustments related to deferred tax liability	(28,822,962)	-
Balance at the end of the year	<u>328,148,365</u>	<u>356,971,327</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

	As at 31 st March 2017	As at 31 st March 2016
General reserve		
Balance at the beginning of the year	428,252,062	428,252,062
Add : Additions made during the year	-	-
Balance at the end of the year	<u>428,252,062</u>	<u>428,252,062</u>
Surplus in the statement of profit and loss		
Balance at the beginning of the year	785,715,892	587,418,602
Add : Transfer from statement of profit and loss	705,447,883	321,520,153
Less : Interim dividend	-	102,388,120
(Interim dividend of ₹ 4 per equity share declared on 28.10.2015 ₹ 40,955,248)		
(Interim dividend of ₹ 6 per equity share declared on 11.03.2016 ₹ 61,432,872)		
Excess provision for dividend in earlier years adjusted	-	(9,000)
Tax on interim dividend	-	20,843,743
Transfer from foreign currency translation reserve	171,046,365	-
Balance at the end of the year	<u>1,320,117,410</u>	<u>785,715,892</u>
Foreign currency translation reserve		
Balance at the beginning of the year	139,036,448	114,305,688
Add : Movement during the year	(5,722,821)	24,730,760
Balance at the end of the year	<u>133,313,627</u>	<u>139,036,448</u>
Foreign currency translation reserve on consolidation		
Balance at the beginning of the year	177,865,147	144,596,809
Add : Movement during the year	100,972,917	33,268,338
Less : Loss released to retained earnings	171,046,365	-
Balance at the end of the year	<u>449,884,429</u>	<u>177,865,147</u>
	<u>2,856,785,420</u>	<u>2,084,910,402</u>
6 Long-term borrowings		
Term loans (Unsecured)		
Sales tax deferment loan from the Government of Tamilnadu (refer note (a) below)	-	2,862,902
Other unsecured loans (refer note (b) below)	116,795,821	233,491,808
	<u>116,795,821</u>	<u>236,354,710</u>
a) Deferral of sales tax liabilities represent interest free deferred sales tax loan received from Government of Tamilnadu which was repayable up to 2017-18 based on the deferment availed in the respective years. In case of default in repayment of 'Deferred sales tax liabilities' the movable and immovable properties of the Holding Company were liable to be attached/ proceeded towards the realization of outstanding Government loan under Revenue Recovery Act. This was repaid fully in the current year.		
b) As per novation agreement entered with lender, the amount is unsecured, non-interest bearing and is payable in 15 equal quarterly installments starting from July 2015 upto December 2018.		
7 Deferred tax liabilities, net		
The breakup of net deferred tax liability is as follows:		
Deferred tax liabilities arising on account of:		
- Timing difference between depreciation/ amortization as per financials and depreciation as per tax	258,269,062	239,678,033
- Undistributed profits of subsidiaries (adjusted against capital reserve)	28,822,962	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

	As at 31 st March 2017	As at 31 st March 2016
7 Deferred tax liabilities, net (Continued)		
Less: Deferred tax asset arising on account of		
- Foreign currency translation reserve	-	(8,558,821)
- Adjustments on account of gratuity provision	(19,875,925)	(25,147,760)
- Provision for privilege leave etc.	(7,490,641)	(6,360,606)
- Provision for doubtful debts, deposits, DEPB etc.	(6,596,039)	(8,206,899)
- Other disallowances under Section 43B of Income Tax Act, 1961	(1,678,611)	(3,368,203)
	<u>(35,641,216)</u>	<u>(51,642,289)</u>
Deferred tax liabilities, net	<u>251,450,808</u>	<u>188,035,744</u>

	As at 31 st March 2017		As at 31 st March 2016	
	Long-term	Short-term	Long-term	Short-term
8 Provisions				
Provision for employee benefits (Also refer note 8(a) below)				
Gratuity	50,775,894	6,655,697	63,578,695	9,085,888
Compensated absences	18,357,186	3,287,060	15,206,871	3,172,133
Provision for taxes (net of taxes paid in advance)	-	13,250,235	-	34,302,316
	<u>69,133,080</u>	<u>23,192,992</u>	<u>78,785,566</u>	<u>46,560,337</u>

(a) Defined benefit plans :

Gratuity is payable to employees of the Indian Holding Company at the rate of 15 days salary for each year of service. In accordance with applicable Indian laws, the Holding Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering its eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity plan are determined by actuarial valuation on the reporting date.

The following table sets out the status of the Gratuity Plan and the amounts recognized in the financial statements :

	As at 31 st March 2017	As at 31 st March 2016
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	72,664,583	65,169,976
Interest cost	5,696,903	5,141,911
Current service cost	4,549,889	4,216,376
Benefits paid	(26,569,707)	(1,782,909)
Actuarial (gain) / loss	1,089,923	(80,771)
Projected benefit obligation at the end of the year	<u>57,431,591</u>	<u>72,664,583</u>
Thereof		
Unfunded	57,431,591	72,664,583
	Year ended 31st March 2017	Year ended 31st March 2016
Components of net gratuity costs are:		
Current service cost	4,549,889	4,216,376
Interest cost	5,696,903	5,141,911
Net actuarial (gain)/ loss	1,089,923	(80,771)
Net gratuity costs recognised in the income statement (Also refer note 25)	<u>11,336,715</u>	<u>9,277,516</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

Principal actuarial assumptions used:

- Discount rate
- Long-term rate of compensation increase
- Average remaining life
- Attrition rate
- Mortality table

Year ended 31 st March 2017	Year ended 31 st March 2016
6.81%	7.84%
9.08%	9.00%
6 years	5 years
12.40%	14.00%
Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Experience adjustment and present value of obligation:

Experience adjustment on plan liabilities (gains) / losses and present value of obligation in respect of gratuity benefits

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Experience adjustment	(2,727,658)	(6,906,540)	(6,304,712)	2,174,649	6,305,202
Present value of obligation	57,431,591	72,664,583	65,169,976	59,683,965	47,899,525

Compensated absences

The Group permits encashment of compensated absences accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Group, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Group does not maintain any plan assets to fund its obligation towards compensated absences.

	Year ended 31 st March 2017	Year ended 31 st March 2016
Changes in the present value of obligation in respect of compensated absences		
Obligation at the year beginning	18,379,004	17,579,196
Actuarial (gain) / loss	3,265,242	799,808
Obligation at the year end	21,644,246	18,379,004

Principal actuarial assumptions used :

Discount rate	6.81%	7.84%
Long-term rate of compensation increase	9.08%	9.00%
Average remaining life	6 years	5 years
Attrition rate	12.40%	14.00%

(b) Defined contribution plans:

The Group has recognized the following amounts in the statement of profit and loss account for the year :

Contribution to employees' provident fund *	23,055,356	14,962,296
Contribution to employees' state insurance fund	915,598	770,033
Contribution to employees' superannuation fund **	5,223,925	3,693,196
	<u>29,194,879</u>	<u>19,425,525</u>

* ₹ 1,082,916 (Previous year ₹ 790,030) included in research and development expenses

** ₹ Nil (Previous Year ₹ 482,951) included in Research and Development Expenses

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

	As at 31 st March 2017	As at 31 st March 2016
9 Short-term borrowings		
Loan payable - on demand from banks (secured)		
Working capital demand loan (refer note below)	230	117,800,000
Cash credit/export credit accounts (refer note below)	-	88,157,373
Bills purchased / discounted (refer note below)	<u>187,927,239</u>	<u>213,550,263</u>
	<u>187,927,469</u>	<u>419,507,636</u>
a) Working capital demand loan/Cash credit/Export accounts and Bills purchased / discounted are secured by hypothecation of stock of raw materials, work in progress, finished goods and book debts and secured by a second charge on all of the Company's immovable fixed assets both present and future.		
10 Trade payables		
Dues to micro and small enterprises (Also refer note a below)	745,776	446,498
Dues to others (including trade acceptances)	<u>2,571,305,272</u>	<u>1,650,401,102</u>
	<u>2,572,051,048</u>	<u>1,650,847,600</u>
a) Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:		
The information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. The details are as follows:		
i) Principal amount remaining unpaid	745,776	446,498
ii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
iv) The amount of interest due accrued and remaining unpaid at the end of each accounting year.	19,521	40,719
v) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	19,521	40,719
	As at 31 st March 2017	As at 31 st March 2016
11 Other current liabilities		
Current maturities of long term debt (refer note 6 and (a) below)	311,315,011	252,133,225
Unpaid dividend (refer note (b) below)	1,859,348	1,863,760
Unpaid matured deposits and interest accrued thereon (refer note (b) below)	1,611,167	1,916,693
Employee related payables	37,892,490	29,042,646
Deposits from service providers	6,013,629	4,896,883
Interest accrued but not due on loans	-	576,190
Statutory dues	57,491,574	39,382,382
Advances from customers	33,464,840	19,978,683
Amounts due to consignment agents	-	8,590,779
Directors remuneration payable	25,482,800	20,201,516
Other payables	<u>15,479,484</u>	<u>17,526,675</u>
	<u>490,610,343</u>	<u>396,109,432</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

- (a) In respect of term loans from banks and financial institutions, terms of repayments and nature of security are given below:
- Export Import Bank of India Overseas Investment Finance loan was repayable in 16 equal quarterly installments starting from July 2012 up to April 2016. The loan was secured by First Pari Passu charge on movable fixed assets and immovable assets of the Company at Ranipet, Tamilnadu with an interest rate of LIBOR + 450 basis points.
 - Export Import Bank of India working capital demand loan was repayable in 16 equal quarterly installments starting from July 2012 up to April 2016. The loan was secured by First Pari Passu charge on movable fixed assets and immovable assets of the Company at Ranipet, Tamilnadu with an interest rate range of 10.74% to 11.59% per annum (Previous year - 11.00% to 14.60% per annum)

The Company has repaid these loans during the current year.

- (b) There are no delays in transferring the amounts due for payment to the Investor education and protection fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

12 Fixed assets

Particulars	Freehold land	Lease hold land *	Buildings and roads	Plant and equipment	Wind operated generators	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Total
Gross block										
Balance as at 31 st March 2015	3,749,329	197,105,344	195,928,945	4,043,273,780	165,023,000	19,194,539	16,112,873	17,658,735	10,723,420	4,668,769,965
Change in classification of assets [#]	-	-	-	305,614,338	-	-	-	-	-	305,614,338
Additions	-	-	2,328,725	70,460,285	-	-	2,956,980	1,771,044	1,152,000	78,669,033
Disposals	-	-	-	(38,891,261)	-	-	(1,126,930)	(332,710)	(2,521,224)	(42,872,125)
Exchange difference	-	246,393	247,704	17,928,891	-	879,439	-	52,676	-	19,355,103
Balance as at 31st March 2016	3,749,329	197,351,737	198,505,374	4,398,386,033	165,023,000	20,073,978	17,942,923	19,149,745	9,354,196	5,029,536,314
Additions	-	-	3,808,564	384,431,744	-	312,193	11,830,806	2,038,339	1,343,832	403,765,478
Disposals	-	-	-	(12,554,744)	-	-	(2,145,468)	(24,000)	-	(14,724,212)
Exchange difference	-	3,166,989	2,167,770	56,321,190	-	(4,359)	(137,542)	53,428	-	61,567,477
Balance as at 31st March 2017	3,749,329	200,518,726	204,481,708	4,826,584,223	165,023,000	20,381,811	27,490,719	21,217,512	10,698,028	5,480,145,057
Accumulated depreciation/ amortization										
Balance as at 31 st March 2015	-	12,683,141	72,508,942	1,993,877,819	104,440,218	14,299,380	10,789,222	12,454,083	10,008,392	2,231,061,198
Depreciation due to change in classification of assets [#]	-	-	-	48,432,974	-	-	-	-	-	48,432,974
Depreciation/amortization for the year	-	2,829,539	4,996,064	184,948,174	3,482,481	1,388,364	2,242,600	2,039,320	978,004	202,904,546
Reversal on disposal of assets	-	-	-	(35,104,690)	-	-	(1,065,453)	(315,671)	(2,518,703)	(39,004,517)
Exchange difference	-	111,245	117,354	28,595,768	-	3,229	-	18,930	-	28,846,525
Balance as at 31st March 2016	-	15,623,925	77,622,360	2,220,750,045	107,922,699	15,690,973	11,966,369	14,196,662	8,467,693	2,472,240,726
Depreciation/amortization for the year	-	3,581,814	6,016,178	341,481,015	3,482,480	1,017,794	3,200,057	1,928,762	1,245,831	361,953,931
Impairment of assets (refer note 28)	-	-	-	13,474,614	-	-	-	-	-	13,474,614
Reversal on disposal of assets	-	-	-	(6,337,482)	-	-	(2,019,110)	(19,614)	-	(8,376,206)
Exchange difference	-	280,068	(265,331)	(23,114,367)	-	(6,417)	(11,462)	9,704	-	(23,107,804)
Balance as at 31st March 2017	-	19,485,806	83,373,207	2,546,253,826	111,405,179	16,702,350	13,135,855	16,115,514	9,713,524	2,816,185,261
Net block										
Balance as at 31 st March 2016	3,749,329	181,727,812	120,883,014	2,177,635,987	57,100,301	4,383,005	5,976,554	4,953,083	886,503	2,557,295,588
Balance as at 31 st March 2017	3,749,329	181,032,920	121,108,501	2,280,330,397	53,617,821	3,679,461	14,354,865	5,101,998	984,504	2,663,959,796

* The Holding Company has been allotted a plot in 2011 in Dahej by Gujarat Industrial Development Corporation for setting up a manufacturing facility. In terms of the said allotment the Company has paid the consideration and possession letter for land has been obtained in April 2015. The Holding Company is obligated to set up a manufacturing facility within the specified period as per the terms and conditions of allotment, failing which penalty as per agreement is payable.

Consequent to the revision of Accounting Standard 10: 'Property, Plant and Equipment', the Company has reassessed the classification of 'Catalyst' which are used in the oxidation process and has determined that it would meet the definition of property, plant and equipment and has reclassified the same. Accordingly, an amount of ₹ 305,614,338 has been reclassified from Inventories to Plant and equipment during the year ended 31st March 2016 with the corresponding depreciation for the previous year ended 31st March 2016 amounting to ₹ 48,432,974 reclassified from 'Cost of materials consumed' to 'Depreciation/amortisation' for the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

	As at 31 st March 2017	As at 31 st March 2016
13 Non-current investments		
Other investments (Valued at cost unless stated otherwise)		
<u>In equity instruments</u>		
Quoted		
Neyveli Lignite Corporation Limited - 5,000 (5,000) equity shares of ₹ 10 each fully paid up	313,958	313,958
Piramal Enterprises Limited - 1,409 (1,409) equity shares of ₹ 2 each fully paid up	122,728	122,728
Piramal Phytocare Limited - 137(137) equity shares of ₹ 10 each fully paid up	25,727	25,727
Tata Power Limited - 500 (500) equity shares of ₹ 1 each fully paid up	7,699	7,699
Ultramarine and Pigments Limited - 3,044,800 (3,044,800) equity shares of ₹ 2 each fully paid up	53,775,623	53,775,623
	54,245,735	54,245,735
Quoted (At realisable value)		
Futuristic Offshore Services and Chemicals Limited - 100(100) equity shares of ₹ 10 each fully paid up	1,050	1,050
Less: Provision for diminution other than temporary	(950)	(950)
	100	100
Maruti Plastics Limited - 4,000 (4,000) equity shares @ ₹10 each fully paid up	51,239	51,239
Less: Provision for diminution other than temporary	(47,239)	(47,239)
	4,000	4,000
Indu Nissan Oxo Chemical Limited - 9,150 (9,150) equity shares @ ₹10 each fully paid up	115,595	115,595
Less: Provision for diminution other than temporary	(106,445)	(106,445)
	9,150	9,150
	13,250	13,250
Non-trade investments (Valued at cost unless stated otherwise)		
Unquoted		
Kamer Co-operative Housing Society Limited - 5 (5) equity shares of ₹ 50 each fully paid up	250	250
Piramal Glass Limited - Nil (62) equity shares of ₹ 10 each fully paid-up	-	620
The Saraswat Co-operative Bank Limited - 200 (200) equity shares of ₹ 100 each fully paid up	20,000	20,000
	20,250	20,870
Grand total	54,279,235	54,279,855
Aggregate amount of:		
-Quoted investments	54,258,985	54,258,985
-Market value of quoted investments	564,734,629	333,219,332
-Unquoted investments	20,250	20,870
-Provision for diminution in value of investments other than temporary	154,634	154,634

	As at 31 st March 2017		As at 31 st March 2016	
	Long-term	Short-term	Long-term	Short-term
14 Loans and advances				
Capital advances				
- Unsecured, considered good	51,577,738	-	13,503,517	-
(A)	51,577,738	-	13,503,517	-
Security deposits				
- Unsecured, considered good	20,470,215	1,221,978	10,191,052	-
- Unsecured, considered doubtful	285,047	-	285,047	-
Less: Provision for bad and doubtful deposits	(285,047)	-	(285,047)	-
(B)	20,470,215	1,221,978	10,191,052	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

	As at 31 st March 2017		As at 31 st March 2016	
	Long-term	Short-term	Long-term	Short-term
Other loans and advances				
(Unsecured and considered good)				
Advance to suppliers		38,634,924		10,508,151
Taxes paid in advance (Net of provision for tax)	85,019,944	-	122,167,377	-
Balance with government authorities	-	121,849,242	-	61,125,109
Advances to employees	-	5,649,260	810,855	2,718,060
Prepaid expenses	2,041,199	23,944,833	-	7,165,642
(C)	87,061,143	190,078,259	122,978,232	81,516,962
(A+B+C)	159,109,096	191,300,237	146,672,801	81,516,962
			As at	As at
			31st March 2017	31st March 2016
15 Other non-current assets				
Non-current bank balances (Also refer note 19)			6,800,000	-
			6,800,000	-
16 Current investments				
(valued at lower of cost and fair value)				
BOI AXA liquid fund - daily dividend			205,000,000	-
			205,000,000	-
Aggregate amount of				
-Unquoted investments			205,000,000	-
-Market value of quoted investments			207,154,865	-
-Provision for diminution in value of investments			-	-
17 Inventories				
(valued at lower of cost and net realizable value)				
Raw materials (refer note (a) below)			976,178,547	404,523,436
Work in progress			104,484,233	48,463,331
Finished goods (refer note (b) below)			323,255,278	113,421,753
Excise duty paid in advance for goods with agents and depots			18,577,843	11,522,407
Stock-in-trade			8,725,168	2,106,797
Stores and spares (refer note (c) below)			69,544,766	101,668,222
Fuel			4,586,000	2,432,000
Packing materials			11,158,562	6,797,653
			1,516,510,397	690,935,598
Note				
(a) Raw material includes material in transit of ₹ 486,300 (Previous year - Nil)				
(b) Finished goods includes material in transit of ₹ 153,883,340 (Previous Year - ₹ 52,383,479)				
(c) Stores and spares includes material in transit of ₹ 3,127,505 (Previous Year Nil)				
18 Trade receivables				
(Unsecured considered good, unless stated otherwise)				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good			11,498,040	49,314,663
Considered doubtful			18,774,244	23,428,833
			30,272,284	72,743,496

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

	As at 31 st March 2017	As at 31 st March 2016
Less : Provision for bad and doubtful debts	(18,774,244)	(23,428,833)
(A)	11,498,040	49,314,663
Other debts	1,368,476,089	1,244,194,546
(B)	1,368,476,089	1,244,194,546
Total (A)+(B)	1,379,974,129	1,293,509,209
Provision for bad and doubtful debts		
Balance at the beginning of the year	23,428,833	17,083,945
Created during the year, net	67,885	11,035,673
Utilised during the year	(4,722,474)	(4,690,785)
Balance at the end of the year	18,774,244	23,428,833
19 Cash and bank balances		
Cash and cash equivalents		
Balances with banks - in current accounts	130,967,436	10,215,453
Cash on hand	275,094	160,869
(A)	131,242,530	10,376,322
Other bank balances		
Balances with bank held as margin money against letters of credit issued by banks	224,401,849	106,186,665
Deposits with maturity more than 3 months but less than 12 months	-	21,732,953
Deposits with maturity more than 12 months	6,800,000	-
Unpaid dividend	1,859,348	1,863,760
(B)	233,061,197	129,783,378
Less : Amounts disclosed as other non-current assets	(C) 6,800,000	-
Total (A+B-C)	357,503,727	140,159,700
20 Other current assets		
(Unsecured, considered good)		
Assets held for disposal	12,802,972	12,802,972
Others	29,297,128	49,272,482
	42,100,100	62,075,454
21 Revenue from operations	Year ended 31st March 2017	Year ended 31st March 2016
Sale of products		
Manufactured goods	11,108,006,113	10,162,223,141
Traded goods	1,485,074	1,170,204
Revenue from operations (Gross)	11,109,491,187	10,163,393,345
Less: Excise duty recovered on sales	(873,772,070)	(790,979,446)
Revenue from operations (Net)	10,235,719,117	9,372,413,899
Other operating revenues, net		
Sales of power from wind operated generators	14,394,022	9,696,758
Income from letting out of storage facility	32,004,756	31,971,268
Duty drawback and export benefits	39,290,911	21,512,361
Consortium fee	-	76,699

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

	Year ended 31 st March 2017	Year ended 31 st March 2016
Sale of scrap (net of taxes recovered)	6,169,300	6,050,029
	91,858,989	69,307,115
	10,327,578,106	9,441,721,014
Details of manufactured products sold		
Organic and other chemicals	11,108,006,113	10,162,223,141
Details of traded products sold		
Organic and other trading chemicals	1,485,074	1,170,204
22 Other income		
Interest income (Gross) - (Tax deducted at source ₹ 2,556,493 (Previous Year ₹ 3,207,985))	14,983,752	18,471,434
Dividend income from mutual funds and other non-current investments	2,754,358	19,864,688
Profit on sale of tangible assets	6,060,143	199,721
Profit on sale of non-current investments	14,880	-
Rent received	3,967,709	4,107,643
Insurance claims	4,652,328	1,393,666
Miscellaneous receipts	8,923,125	7,872,109
	41,356,295	51,909,261
23 Cost of materials consumed		
Raw materials and process chemicals	404,523,436	613,392,886
Inventory at the beginning of the year	7,600,938,821	6,288,378,186
Add: Purchases	8,005,462,257	6,901,771,072
Less: Sales	22,505,822	5,294,562
Less: Inventory at the end of the year	976,178,547	404,523,436
	7,006,777,888	6,491,953,074
Details of raw materials consumed		
Organic and other chemicals	7,006,777,888	6,491,953,074
Purchase of stock in trade		
Purchase of organic and other chemicals	9,199,894	2,574,342
	9,199,894	2,574,342
24 Changes in inventories		
Opening stock		
Finished goods	113,421,753	140,855,076
Work in progress	48,463,331	101,880,921
Stock of trading items	2,106,797	3,400,677
	163,991,881	246,136,674
Closing stock		
Finished goods	323,255,278	113,421,753
Work in progress	104,484,233	48,463,331
Stock of trading items	8,725,168	2,106,797
	436,464,679	163,991,881
Excise duty on closing stock (net)	(2,147,293)	4,821,272
Changes in inventories	(270,325,505)	77,323,521
Details of stock of trading items		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

	Year ended 31 st March 2017	Year ended 31 st March 2016
Opening stock		
Organic and other chemicals	<u>2,106,797</u>	<u>3,400,677</u>
	2,106,797	3,400,677
Closing stock		
Organic and other chemicals	<u>8,725,168</u>	<u>2,106,797</u>
	8,725,168	2,106,797
25 Employee benefits expense		
Salaries and wages	399,220,940	376,197,192
Gratuity expense (Also refer note 8(a))	11,336,715	9,277,516
Contribution to provident fund and other funds	28,111,963	18,152,544
Staff welfare expenses	<u>16,038,968</u>	<u>14,536,201</u>
	454,708,586	418,163,453
26 Depreciation and amortisation expense		
Depreciation/amortisation of tangible assets (Refer note 12)	<u>361,953,931</u>	<u>251,337,520</u>
	361,953,931	251,337,520
27 Finance costs		
Interest expense	91,803,610	146,875,576
Exchange differences regarded as an adjustment to borrowing costs	1,677,991	10,045,713
Interest on short fall on payment of advance tax	4,843,861	3,074,010
Other borrowing costs	<u>68,955,338</u>	<u>70,553,592</u>
	167,280,800	230,548,891
28 Other expenses		
Stores and spares consumed	86,773,943	73,265,254
Power and fuel	367,419,199	286,037,039
Repairs and maintenance		
Machinery	149,932,486	102,741,434
Buildings	22,641,145	19,174,516
Others	8,794,763	5,981,640
Packing expenses and materials consumed	124,605,451	132,397,044
Freight and forwarding	441,419,369	493,803,478
Commission and brokerage	20,347,939	26,217,438
Rent	10,287,362	5,115,741
Rates and taxes	11,809,466	6,362,023
Insurance	16,928,303	16,548,605
Travelling and conveyance	33,788,442	28,873,906
Communication expenses	6,062,889	5,995,487
Research and development expenses (Refer note 31)	27,106,332	18,312,423
Expenses on wind operated generators	3,711,418	3,817,362
Legal and professional charges (refer note (a) below)	38,126,228	37,179,514
Commission to non-executive Directors	11,882,800	6,901,516
Bad debts/ sundry balance written off (net)	-	4,773,813

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

	Year ended 31 st March 2017	Year ended 31 st March 2016
Provision for doubtful debts	67,885	9,793,665
Net loss on foreign currency transaction and translation	14,472,484	66,018,121
Corporate social responsibility expenditure (Refer note 33)	6,000,000	6,000,000
Donation	9,530,000	130,000
Cash discounts and rebates	42,472,168	39,335,485
Impairment of assets	13,474,614	-
Miscellaneous expenses	79,611,409	78,597,653
	1,547,266,095	1,473,373,157
(a) Payment to auditors*		
Statutory audit	1,850,000	1,000,000
Limited review and other certification	700,000	605,000
Taxation and other matters	-	360,000
Tax audit	250,000	225,000
	2,800,000	2,190,000

*Previous year figures represent fees paid to predecessor auditor. The above fees excludes applicable taxes.

29 Related parties
a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Key Management Personnel	Mr. R.Parthasarathy (Managing Director) Mrs. Ramya Bharathram (Executive Director) Mr. C.G Sethuram (Chief Executive Officer) Mr. P Mohana Chandran Nair (Executive Director) Mr. P Krishnamoorthy (Chief Financial Officer) Mr. T Rajagopalan (Company Secretary)
Relatives of Directors	Mr. S.Varadharajan (relative of S Santhanam) Mr. S. Narayan (relative of S Santhanam)
Enterprise over which the Key Managerial Personnel and their relatives are able to exercise significant influence	Ultramarine and Pigments Limited (UPL) Thirumalai Charity Trust (TCT)

b) Transactions with related parties

Transaction	Related Party	Year ended 31 st March 2017	Year ended 31 st March 2016
Remuneration to Key Managerial Personnel	Mr. R.Parthasarathy *	27,703,527	28,896,917
	Mrs. Ramya Bharathram	14,572,940	10,232,000
	Mr. P Mohana Chandran Nair	4,052,285	2,278,994
	Key Managerial Personnel other than Whole Time Directors	28,138,015	20,726,451
	Directors and Relatives of Directors	3,394,418	4,019,474
Remuneration paid to relative of Directors and Key managerial personnel	Mr. S.Varadharajan	2,853,101	2,199,528
	Mr. S.Narayan	541,317	1,819,946
Purchase of Goods	Ultramarine and Pigments Limited	43,037	42,194
	Thirumalai Charity Trust	45,787	39,755
Sale of Goods	Thirumalai Charity Trust	-	789
Rendering of Services	Ultramarine and Pigments Limited	4,372,174	4,487,386
	Mr. R.Parthasarathy	-	12,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

Transaction	Related Party	Year ended 31 st March 2017	Year ended 31 st March 2016
Receipt of Services	Ultramarine and Pigments Limited	204,915	-
	Thirumalai Charity Trust	417,008	135,548
Donation given	Thirumalai Charity Trust	15,000,000	6,000,000

c) Balances with related parties

Particulars	Related Party	As at 31 st March 2017	As at 31 st March 2016
Trade receivables	Ultramarine and Pigments Limited	299,158	384,300
Trade payables	Thirumalai Charity Trust	9,893	-
Deposits payable	Ultramarine and Pigments Limited	1,400,000	1,400,000

	Year ended 31 st March 2017	Year ended 31 st March 2016
30 Earnings per equity share (EPS)		
Profit attributable to equity shareholders	705,447,883	321,520,153
Number of equity shares	10,238,812	10,238,812
Earnings Per Share - Basic and diluted	68.90	31.40
31 The Company has spent towards Research and Development expenses during the year which are as under*		
Capital expenditure	21,755	-
Revenue expenditure (Also refer note 28)	27,106,332	18,312,423
	<u>27,128,087</u>	<u>18,312,423</u>

* The summary is prepared based on the information available with the Company and is relied upon by the auditors.

	As at 31 st March 2017	As at 31 st March 2016
32 Commitments and contingent liabilities		
(A) <u>Commitments</u>		
Estimated amount of contracts to be executed on capital account and not provided for	319,178,806	42,411,689
- Against which advances paid	51,577,738	13,503,517
Other commitments are cancellable at the option of the Company and hence not disclosed.		
(B) <u>Contingent liabilities</u>		
Indirect tax matters under dispute (Refer note (i) below)	16,469,694	8,448,007
Income tax demand including interest contested in Appeal (Refer note (ii) below)	46,165,467	51,052,250
Other claims against the Company not acknowledged as debts	32,420,000	46,433,000
	<u>95,055,161</u>	<u>105,933,257</u>

- (i) The sales tax authorities have issued notices to the Holding Company whereby the authorities have disputed the method of availment of deferral sales tax on monthly pro-rata basis for the period April 2000 to April 2006 amounting to ₹ 8,448,007 (Previous year ₹ 8,448,007). The Company has filed a writ petition against these notices in the High Court. The Company does not expect any liability to crystallize on this account. Further, no provision has been made in respect of disputed demands from sales-tax Authorities to the extent of ₹ 802,7687 (Previous Year ₹ Nil) since the Company has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous. Against the above, the Company has already paid ₹ 1,910,796 (Previous year ₹ Nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

- (ii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹ 46,165,467 (Previous Year ₹ 51,052,250) since the Company has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous. Against the above the Company has already paid ₹ 28,135,277 (Previous year ₹ 30,627,270) under protest.

33 Corporate social responsibility expenditure

	Year ended 31 st March 2017			Year ended 31 st March 2016		
(a) Gross amount required to be spent by the Company during the year	5,867,520			4,483,640		
(b) Amount spent during the year on	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	6,000,000	-	6,000,000	6,000,000	-	6,000,000
	6,000,000	-	6,000,000	6,000,000	-	6,000,000
(c) Name of the related party with regard to CSR contribution	Thirumalai Charity Trust			Thirumalai Charity Trust		
(d) Whether any provision made based on contractual obligation to undertake CSR activity	No			No		

34 Disclosure on Specified Bank Notes (SBNs)

During the year, the holding Company had specified bank notes (SBN) or other denomination note as defined in the MCA notification G.S.R.308(E) dated 30th March 2017 on the details of SBN held and transacted during the period between 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification are given below:-

Particulars	SBNs*	Other denomination notes	Total In ₹
Closing cash on hand as at 08 November 2016	261,500	4,981	266,481
(+) Permitted receipts	-	691,377	691,377
(-) Permitted payments	-	541,718	541,718
(-) Amount deposited in Banks	261,500	-	261,500
Closing cash in hand as on 30 December 2016	-	154,640	154,640

*For the purpose of this clause, the term "Specified Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 08 November 2016.

35 Segment reporting

Segments have been identified taking into account the nature of the products, the differing risk and returns, the Organization structure and internal reporting system. The Group's operations predominately relate to manufacture of chemical products and its intermediaries. Hence, the Group has identified business as primary segment in accordance with AS-17 Segment reporting. "Chemical products" and "Power generation" are the business segments and the necessary information is given hereunder.

- (i) Segment revenue, segment results, segment assets, and segment liabilities include the respective amounts identifiable to each of the segments and also amounts allocated on a reasonable basis. The expenses, which are not attributable to the business segment, are shown as unallocated corporate costs.
- (ii) Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and unallocated corporate liabilities respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(in ₹)

Particulars	Year ended 31 st March 2017	Year ended 31 st March 2016
Revenue from operations		
Chemical products and its intermediaries	10,313,184,084	9,432,024,257
Power generation (Wind operated generators)	14,394,022	9,696,758
Total revenue from operations	10,327,578,106	9,441,721,015
Results		
Segment result		
Chemical products and its intermediaries	1,235,164,650	738,172,670
Power generation (Wind operated generators)	7,200,123	2,396,915
Operating profit/(loss)	1,242,364,773	740,569,585
Finance cost	(167,280,800)	(230,500,000)
Other unallocable income net of corresponding expenses	16,988,738	38,286,732
Profit before tax	1,092,072,712	548,356,317
Tax expense	386,624,829	226,836,164
Profit after tax	705,447,883	321,520,153
	As at 31st March 2017	As at 31st March 2016
Segment assets		
Chemical Products and its intermediaries	5,992,171,743	4,925,464,654
Power Generation (Wind operated Generators)	68,514,432	66,503,051
Unallocated corporate assets	609,671,425	211,554,342
Total assets	6,670,357,600	5,203,522,047
Segment liabilities		
Chemical Products and its intermediaries	2,801,468,901	1,881,510,753
Power Generation (Wind operated Generators)	-	-
Unallocated corporate liabilities	909,692,659	1,134,690,271
Total liabilities	3,711,161,560	3,016,201,024
Other information		
Capital expenditure	306,800,933	281,354,216
Depreciation and amortisation	361,953,931	251,337,520
Other non cash expenditure, net	518,643,826	544,157,137

This is the Summary of Significant accounting Policies and other explanatory information referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner

**For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited**

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER

T. RAJAGOPALAN
COMPANY SECRETARY

PLACE : CHENNAI
DATE : 20 MAY 2017

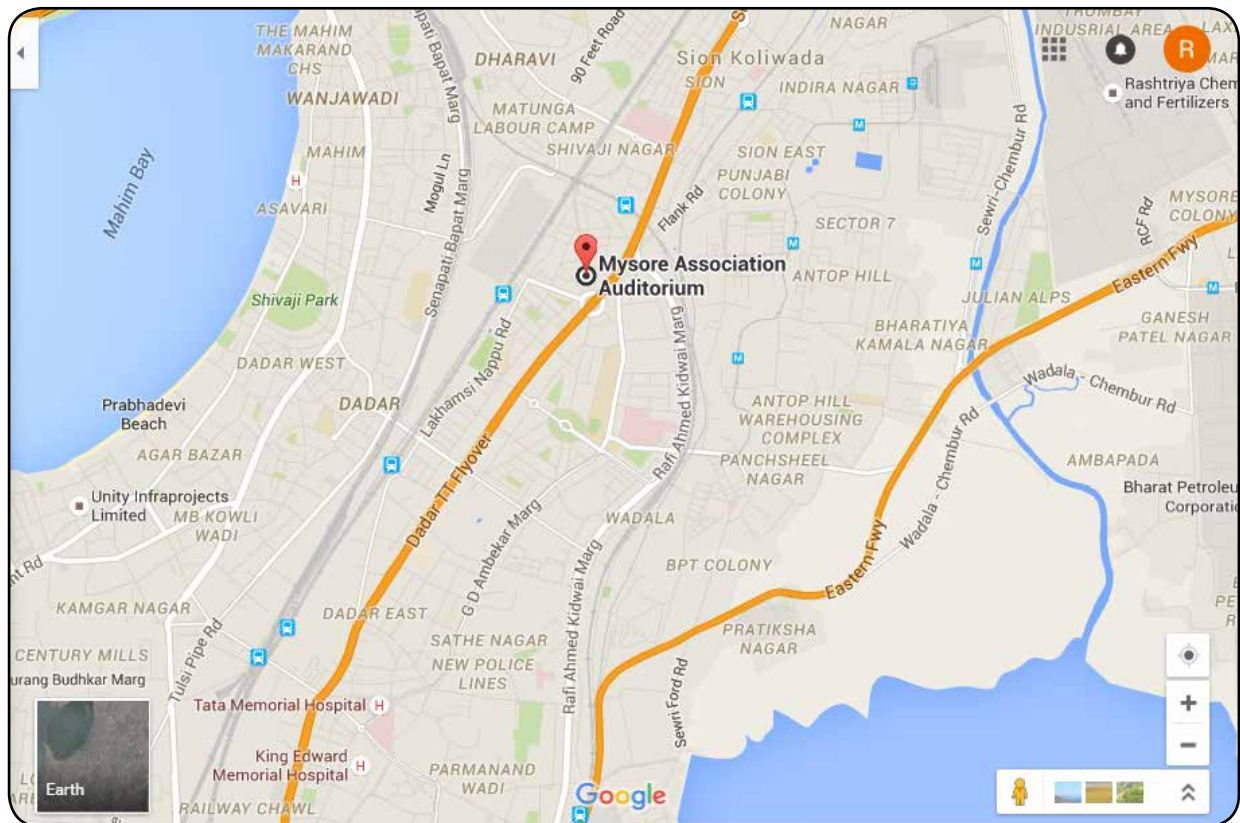
PLACE : CHENNAI
DATE : 20 MAY 2017

FINANCIAL HIGHLIGHTS

(₹ in Mn)

Particulars	16-17	15-16	14-15	13-14	12-13	11-12	10-11	09-10	08-09	07-08
Share Capital	102.4	102.4	102.4	102.4	102.4	102.4	102.4	102.4	102.4	102.4
Reserves & Surplus	2,485.1	1,736.2	1,407.4	1,321.4	1,277.0	1,062.9	951.6	766.1	750.0	1,210.0
Networth	2,587.5	1,838.6	1,509.8	1,423.8	1,379.4	1,165.3	1,054.0	868.5	852.4	1,312.4
Fixed Assets(net)	962.6	767.8	747.4	801.6	928.3	1,031.7	1,025.5	1,111.1	1,229.5	1,214.5
Sales/Other Income	8,692.4	7,921.1	9,416.8	10,506.5	11,557.2	9,113.0	7,784.3	6,325.3	4,840.5	5,843.0
Gross Profit/(loss)	1,422.2	915.5	596.5	610.7	1091.2	719.9	701.9	703.3	(406.1)	719.0
Interest/Finance Charges	150.3	209.7	331.1	454.2	520.2	523.7	175.1	199.4	170.3	138.7
Depreciation	141.4	65.7	70.1	122.1	128.7	138.1	133.9	123.6	122.3	112.5
Current Tax	381.2	238.1	54.8	26.0	188.4	34.6	51.1	66.5	1.2	182.5
Deferred Tax	5.3	25.3	1.5	27.3	23.6	24.4	71.0	120.3	(240.5)	(19.7)
Net Profit/(Loss)	754.6	427.3	142.0	35.7	277.5	47.8	185.5	258.6	(460.0)	266.7
Dividend (incl.tax)	231.1	123.2	493	-	894	-	-	59.7	-	119.8
DIVIDEND (%)	187.50	100	40	-	75	-	-	50	-	100
EARNING PER SHARE (₹)	73.71	41.73	13.87	3.48	27.10	4.67	18.12	25.26	(44.93)	26.00

Route Map to the Venue of Forty Fourth AGM





THIRUMALAI CHEMICALS LTD.

Registered Office: Thirumalai House, Road No. 29, Plot No. 101/102, Near Sion Hill Fort, Sion - E, Mumbai - 400 022.

Forty Fourth Annual General Meeting on July 22, 2017

FORM NO. MGT - 11

PROXY FORM

[Pursuant to section 105 (6) of the Companies Act, 2014 and rule 19(3) of the Companies (Management and Administration) Rules, 2015]

CIN : L24100MH1972PLC016149		Registered office :Thirumalai House, Road No.29, Near Sion Hill Fort, Sion(E), Mumbai - 400 022.
Name of the Company :Thirumalai Chemicals Ltd.		
Name of the member (s):		
Registered address :		
E-mail ID:	Folio No / Client ID:	DP ID:

I / We, being the member (s) of the above named Company, holding _____ shares, hereby appoint

1. Name: Address : E-mail ID: Signature : _____,or failing him	2. Name: Address : E-mail ID: Signature : _____,or failing him
--	--

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44th Annual General meeting of the Company, to be held on the July 22, 2017 at 3.00 p.m. at the Mysore Association Auditorium, Mysore Association, 393, Bhaudaji Road, Matunga - (C.Rly), Mumbai - 400 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31st, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the financial year ended March 31st, 2017.
3. Reappointment of Mr. R.Sampath, Director (DIN: 00092144) who retires by rotation.
4. Ratification of appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as Statutory Auditors for the financial year 2017-2018 and fix their remuneration.
5. Appointment of Mr. Arun Ramanathan (DIN 00308848) as an Independent Director for a term of five consecutive years from the conclusion of this meeting.
6. Reappointment of Mrs. Ramya Bharathram (DIN 06367352), as a Whole-time Director of the Company 2013 for a period of three years with effect from 03.11.2017 and is liable to retire by rotation by Special Resolution.
7. To ratify the remuneration of Cost Auditor for Financial Year 2017-18.

Signed this _____ day of _____ 2017

Revenue
Stamp of
Re.1/-

Signature of shareholder

Signature of Proxy holder (s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



THIRUMALAI CHEMICALS LTD.

CIN: L24100MH1972PLC016149

Registered Office: Thirumalai House, Road No. 29, Plot No. 101/102, Near Sion Hill Fort, Sion - E, Mumbai - 400 022.

Phone: 022-24017841, 43686200; **Fax:** 022-24011699.

Email: thirumalai@thirumalaichemicals.com; **Website:** <http://www.thirumalaichemicals.com>

44th Annual General Meeting on Saturday, July 22, 2017

ATTENDANCE SLIP

Registered Folio No./ DP ID/Client ID	
Name and address of the Member(s)	
Joint Holder 1	
Joint Holder 2	

I/We hereby record my/our presence at the 44th Annual General meeting of the Company held on July 22, 2017 at 3.00 p.m. at The Mysore Association Auditorium, Mysore Association, 393, Bhaudaji Road, Matunga - (C.Rly), Mumbai - 400 019.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Please hand it over at the Attendance Verification Counter at the entrance of the meeting hall.



The Akshaya Vidya Trust

The Akshaya Vidya Trust

Vedavalli Vidyalaya Senior Secondary School, Walaja (CBSE) 1994
Vedavalli Higher Secondary School, Walaja (State Board) 1999
Vedavalli Vidyalaya Nursery & Primary & Senior Secondary School,
Ranipet (CBSE) 2003

Two decades in Education

Sarva Vidyanaam Siddhir Bhavatu being our motto, we, at Vedavalli Vidyalaya strive to bring holistic learning and a stimulating environment for our students. The academic year is distributed with a variety of activities and workshops that supplement the academic programmes. Each of our three schools has a unique approach to the teaching-learning process.

We are proud to say that we are one of the few institutions in the state to offer unique subject options such as History, Geography, Sociology, PT, Fashion Studies and Political Science, other than the regular Commerce, Computer and Science streams at the higher secondary level. This year marks a very significant year for Vedavalli Vidyalaya, Ranipet campus, as we bid goodbye to our first batch of Class XII students, appearing for both the arts (History, Geography and Sociology) and the science streams in the higher secondary examinations.

From KG to Class XII, academics are made interesting with Exposure (Field) trips. This year, our students visited the leather industry, Science Research Centres, and museums, to understand how learning is applied in real life. Some of them also visited schools with like-minded views to interact and understand some of their good practices. Our students of Class XI go through an internship in neighbouring companies such as Ultramarine Pigments Ltd., Thirumalai Chemicals, and SNAP. Some of them have worked with TCT on Outreach programmes and with Thirumalai Mission Hospital. They also got the opportunity to work at Mr. Charabob's Accounting firm. This interaction of the senior students with professionals is for them to understand the work environment in their stream of interest.

Teachers too have intensive training sessions and workshops to hone their skills and to update themselves in different teaching methodologies and the changing curriculum. The Annual teachers' Seminar conducted in the honour of our Founder Trustee, Smt. Satyabama, focused on Gender Bias in education and inclusion of children with different abilities. Speakers from various walks of life spoke about the importance of gender equality in the classroom and emphasised the need to remove environmental and social barriers in education. Our teachers also attend workshops and training at places such as the Indian Institute of Sciences for upgrading their content knowledge. They get to interact with eminent educationists and scientists. This year we had the honour of having Prof. Jayashree Ramdas, who interacted and worked with our teachers on the teaching-learning process of science among primary students.

Learning at Vedavalli Vidyalaya is not just regular schooling, but a process where a child understands what life has to offer and is made ready to face it. The alumni of our schools stand tall with pride as they face all their ordeals and are not afraid of failure.

For more information & details, please visit www.vedavallividyalaya.org





Thirumalai Charity Trust

Ranipet



The Thirumalai Charity Trust (TCT), set up in 1970, has a track record in community health and development services in villages around Ranipet, for more than three decades. Banking on the goodwill it has generated in its activities in health, cattle care, disability, de-addiction, and women's development, TCT started the Thirumalai Mission Hospital (TMH) in April 2010, as a not-for-profit facility, to provide accessible, affordable and quality health care.



Starting with a ground-plus first-floor building of 7,200 sq.ft., we have now added two more floors with an expanded ground floor, increasing the total available space to 20,000 sq.ft. in the hospital. TMH offers outpatient and inpatient services in general medicine, emergency, intensive medical care, general surgery, orthopedics, pediatrics, obstetrics and gynecology, dentistry, physiotherapy, and de-addiction for rehabilitation. These are supported by excellent laboratory and diagnostics facilities, and other support services. We offer short-term courses for rural girls in healthcare work. We are now commencing research activities.



Our Primary Health Care services that include education, screening, early detection, referral and followup have been strengthened in 315 villages, 50 panchayats of Vellore District of Tamil Nadu for 35,000 families, covering a population of 1,60,000.



Our goal is to prevent morbidity and mortality arising out of chronic diseases such as obesity, diabetes, hypertension, osteoporosis, arthritis, etc. We encourage preventive screening with health check-ups for general health conditions, special check-ups for cervical cancer, breast cancer, and oral cancer. We offer a special line of care in camps and programmes for these conditions for the community of people we serve.

In the past year, we have treated nearly 22,000 patients as outpatients and 620 as inpatients for varying conditions. In camps alone, we have served 8,500 people.



We have so far reached more than 7,000 women in our programmes for cervical and breast cancer, 4,500 for osteoporosis and 1,500 in diabetes and hypertension. The results of these have been so encouraging that we are now pioneering a community-centred model programme for prevention, care and control of non-communicable diseases that can be scalable and replicable.

We are thankful to the community for its involvement and to the donors for their support.

We invite you to visit us and get involved with us to make a better impact.
www.thirumalaicharitytrust.org