THIRUMALAI CHEMICALS LTD.

39th
Annual Report
2011–2012

Board of Directors

Dr. S.Rama Iyer (Chairman)
Mr. R.Parthasarathy (Managing Director)
Mr. Dilip J.Thakkar
Mr. P.Shankar
Mr. Atul Agarwal
Mr. Pradeep Rathi
Mr. K.V.Krishnamurthy
Mr. A. Janakiraman
Mr. S.Santhanam
Mr. S.Sridhar
Mr. R.Sampath

Company Secretary

Mr. T. Rajagopalan

Bankers

Bank of India
State Bank of India
Andhra Bank
Axis Bank Ltd
Oriental Bank of Commerce
Indian Overseas Bank

Auditors

Contractor, Nayak & Kishnadwala
Chartered Accountants
501-502, Narian Chambers,
M. G. Road, Vile Parle (E),
Mumbai - 400 057

Registered Office

Thirumalai House, Road No. 29
Near Sion Hill Fort, Sion (E),
Mumbai - 400 022
Tel. : 2401 7841, 7834, 7853, 7861
Fax : 2401 1699
E-mail : thirumalai@thirumalaichemicals.com
Website : http://www.thirumalaichemicals.com

Registrar & Share Transfer Agents

Link Intime India Private Limited
C-13, Pannlal Silk Mills Compound
L.B.S. Marg, Bhandup (W)
Mumbai - 400 078
Ph: : 022 2594 6970
Fax : 022 2594 6969
E-mail:rnt.helpdesk@linkintime.co.in
Website : www.linkintime.com

Factory

Ranipet, Vellore District, Tamilnadu
Tel. : 04172-244441/244442/244443
Fax : 04172-244308
E-mail : mail@thirumalaichemicals.com

39th Annual General Meeting

Date & Time

Friday, July 13, 2012 at 4.00 p.m.

Venue

Mysore Association Auditorium
393, Bhaudaji Road, Matunga
Mumbai - 400 019

Book closure

Thursday, 5th July, 2012 to Friday, 13th July, 2012 (both days inclusive)

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

NOTICE

NOTICE is hereby given that the **THIRTY NINETH 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 Friday, July 13, 2012 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Statement for the year ended March 31, 2012 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. S. Santhanam , who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Atul Agarwal who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr.Pradeep Rathi, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors for the financial year 2012-2013 and fix their remuneration.

NOTES:

a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

b) The proxy form duly completed and signed should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.

c) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 5, 2012 to Friday, July 13, 2012 (both days inclusive) for the purpose of AGM.

d) Reappointment of retiring Directors:

Mr.S.Santhanam, Mr.Atul Agarwal and Mr. Pradeep Rathi, Directors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. S. Santhanam, 72 years, a Printing Technologist, having extensive management experience, is a Director in Ultramarine & Pigments Limited, Global Humanisation & Business Association Ltd and Chairman of Wealth of Wellness Pvt. Ltd.

Mr. Atul Agarwal, 53 years, a qualified Chartered Accountant, is the Managing Director in Mercator Limited and also Director in Mercator Lines (Singapore) Ltd, AAAM Properties Pvt Ltd (India), Indian Register of Shipping (India), Mercator FPSO Pvt Ltd. (India), Vidya Varsha Inc. (Panama), Mercator Oil and Gas Ltd (India), Mercator Petroleum Ltd, (India), Oorja Mozambique Minas LDS (Mozambique), Broadtec Mozambique Minas LDA, (Mozambique) Oorja Resources India Pvt. Ltd (India), Mercator Offshore Pte. Ltd., (Singapore) and Ivorene Oil Services (Nigeria) Ltd, Singapore.

Mr. Pradeep Rathi, 59 years a reputed businessman with vast knowledge and experience in the Chemical Industry, is Vice Chairman and Managing Director of Sudarshan Chemicals Industries Ltd. and as Director of many other Public Companies including Prescient Color Ltd., Lahoti Overseas Ltd., Rathi Brothers Poona Ltd., Rathi Brothers Calcutta Ltd., Rathi Brothers Madras Ltd., Rathi Brothers Delhi Ltd., RIECO Industries Ltd., Sanghvi Movers Ltd., Finolex Cables Ltd.

e) Members are requested to notify their Depository Participant (DP) in case of shares in Demat segment/ Company's Registrars, in case of Shares in physical segment viz: Link Intime Private Limited, C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (W) Mumbai – 400 078 -Tel. No: 022-25946970, E-mail: rnt.helpdesk@linkintime.co.in) immediately about any change in their Bank Mandate or Address, if any.

f) 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.

g) Pursuant to the provisions of Section 205A(5) & 205(C) of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividend for the financial years 1995-1996 to 2003-2004 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.

h) 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.

i) Member(s) wanting to nominate a person on whom the Shares will vest in the event of death of the holder(s) are requested to use the prescribed Form-2B and forward to the Company' Registrars.

j) Members/Proxies are requested to bring attendance-Slip along with their copy of Annual Report to the Meeting.

k) The Ministry of Corporate Affairs (MCA) vide its circular No. 17/2011 dt.21/04/2011 & Circular No.18/2011 dated 29/04/2011 has taken a '**Go Green Initiative**' by allowing paperless compliances by Companies through Electronic mode. The Company thus proposes to send all documents to Shareholders like General Meeting Notices (including AGM Notice), Audited Financial Statements, Directors' Report, Auditors' Report etc henceforth to the Shareholders in electronic form in lieu of the physical form. Shareholders, in the Demat Mode & the Physical Mode are requested to provide their email ID for the purpose of servicing documents by the Company in electronic mode at our email id thirumalaigogreen@linkintime.co.in

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 24, 2012

DIRECTORS' REPORT, MANAGEMENT DISCUSSIONS & ANALYSIS

To

The Members,
Thirumalai Chemicals Ltd.

Your Directors present their **THIRTY NINETH ANNUAL REPORT AND AUDITED STATEMENT OF ACCOUNTS** of the Company for the year ended March 31, 2012.

(₹ In lakhs)

STANDALONE FINANCIAL RESULTS	**Year ended 31.3.2012**	Year ended 31.3.2011
Revenue from operations	**90,404**	76,298
Income from Windmill Operation	**138**	146
Other Income	**588**	676
	91,130	77,120
Gross Profit / (Loss) before Interest and Finance Charges and Depreciation	**7,198**	7,019
Interest and Finance charges	**5,237**	3085
Profit / (Loss) before Depreciation and Tax	**1,961**	3,975
Depreciation	**1,381**	1,339
Profit / (Loss) before Tax	**580**	2,636
Provision for Current Tax	**346**	30
Profit / (Loss) after Current Tax	**234**	2,565
Provision for Deferred Tax	**244**	710
Profit / (Loss) after Tax	**478**	1,855
Balance in Profit & Loss Statement	**3,563**	1,708
Profit available for appropriation	**4,041**	3,563
APPROPRIATIONS		
Dividend	**-**	-
Tax on Dividend	**-**	-
General Reserve	**-**	-
Balance carried forward	**4,041**	3,563
	4,041	3,563

On a Revenue from operation of ₹ 90,404 lakhs (₹ 76,298 lakhs) including Export earning on FOB basis of ₹ 11,909 lakhs (₹ 8,665 lakhs), Income from windmill operation of ₹ 138 lakhs (₹ 146 lakhs) and Other Income of ₹ 588 lakhs (₹ 676 lakhs), the Gross Profit of the Company amounted to ₹ 7,198 lakhs (Profit of ₹ 7,019 lakhs in the previous year). After providing for Interest and Finance charges, Depreciation, the Profit after Tax is ₹ 478 lakhs (₹ 1,855 Lakhs) in the previous year. The performance during the year is explained below in Management's Discussion and Analysis.

Subsidiaries

Tarderiv International Pte Ltd., Singapore is a wholly-owned subsidiary of your Company and it is having two step-down subsidiaries viz. Cheminvest Pte Ltd - Singapore and Optimistic Organic Sdn Bhd Malaysia.

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' Report, Balance Sheet and Profit & Loss Statement of our Subsidiaries. The Ministry of Corporate Affairs, Government of India vide its general circular no.2/2011 dated February 8, 2011 has provided an exemption to Companies from complying with Section 212, provided such Companies publish the audited Consolidated financial statements in the Annual Report. Accordingly, the Annual Report does not contain the financial statements of our Subsidiary. The audited annual accounts and related information of our subsidiaries, where applicable, will be made available, upon request.

Dividend: Your Directors intend to conserve the resources for long term benefits of the shareholders and have decided not to recommend any dividend for 2011-2012. (Previous Year- Nil)

MANAGEMENT'S DISCUSSIONS AND ANALYSIS

As we mentioned to you last year, we have completed a thorough review of the business and certain specific goals including Transforming our commodity Chemical Business (Phthalic Anhydride) to be globally competitive in size & profitability.

Grow our existing Derivatives Businesses, which serve the Food and Cosmetic, and other Industries, building strong businesses of significant size in each area.

We have now put these strategies into implementation and they are already bearing good results in the last 4 to 5 months.

We expect further improvement of the Company in these areas.

This year has started off extremely competitive after a reasonable situation in the previous year. While the prices of Raw material went up, margins of Finished Product went down significantly causing poor result in the first 8 months.

The various initiatives that we had begun, have started to yield results from Q3 end, in terms of reduced costs, faster operating cycles, better funds management, and capacity utilization, all resulting in improved competitiveness and profitability; even in a difficult market situation.

These will yield positive results during the regular up-cycles in the market, and allow us to be competitive even during the down-cycles.

The improvements in Technology that were under implementation last year have contributed to Energy reduction and Plant improvement.

The Government's intervention in Dumping has been positive.

The Specialty Chemicals Areas viz., the Food Ingredients, & Cosmetic Chemicals have grown well and profitably. Separate Teams now focus on growth in India and in International markets.

Valuation of Inventories and Stocks

The Company during the last 15 years or so has been valuing its Inventories / Stocks of Raw Materials, Finished Goods and Work-in-Progress, at Weighted Average method.

During the last few years, this has been found to cause significant variation between the recent & current Purchases and Sales and the Inventories and Stocks values reported in the Financial Books.

In the last few Quarters due to a very large volatility, these variations have caused Operating issues such as difficulties in Costing, misalignment between Business Decision making which is based on First-in and First-out (FIFO) / Current Market prices with respect to the Financial Valuation, and Pricing issues and Marketing issues.

For Commodity products which are our main Businesses, in a volatile environment FIFO is the preferred Business Valuation method, as it will most correctly reflects the current realities.

The Auditors have for the last few years been discussing this change in value procedure from Weighted Average to FIFO method.

As the discrepancy has become very aggravated during the last half year leading to differences as high as Rs. 15 cr. to Rs. 20 cr. in the Purchase and Sales value in the last Quarter, it has been discussed by the Board to change the valuation method from Weighted Average to FIFO.

This has been based on the recommendation by the Business Review and Audit Committees. After discussion this has been accepted by the Board and it has been decided to implement it, however, from 1st April 2012.

Managements' Reply to qualification given in the Auditors' Report

With regard to the qualification made by the Auditors' in their report, since our subsidiary Optimistic Organic Sdn. Bhd (OOSB) is now operating profitably and has started improving further, the Board believes that the amounts referred to in Para 4 are fully recoverable.

Financial and Operating performance

Company achieved a Net Profit of ₹ 478 lakhs Compared to Net profit of ₹ 1,855 lakhs in the previous year.

Contribution to 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 ₹ 9,751 lakhs on Net Sales of about ₹ 91,764 lakhs. That is around 10.63 % of Company's Sales is contributions to the Exchequer.

Research and Development

The Company's in-house Research and Development facility is approved by the Government of India, Department of Science and Technology, and under Section 35 (2AB) of the Income Tax, 1961. It is focusing on improving quality of our Fine Chemicals, Food Ingredients and Derivatives businesses, as also in terms of Grades, Applications, etc.

An amount of ₹ 233 lakhs (₹ 237 lakhs) has been spent during the year for these projects on which the Company avails a weighted deduction of 200 % (150 %)

Risks and concerns

As a Commodity Industry, our main product Phthalic Anhydride and Maleic Anhydride are exposed to sharp cycles and are resulting in profitability pressures from time to time.

The other areas which could upset our plans are Raw material prices & sourcing, Dumped Imports and Forex fluctuations, and Manufacturing Risks.

Current Year

While there has been a general slowdown in Industry, our Commodity Business continuous to have good growth. Raw Material prices and Finished Product prices have reached an all time record and though it is very difficult for the customer, we and they have had to adjust, and work closely in this area.

On the Specialty Businesses we are doing well and will be running at maximum capacity. The improvement programmes started in the last 1 – 1.5 years, have started producing results last year and we expect further improvements during the current year. The manufacturing is running smoothly and our supply chain and other areas have improved.

We expect this to be a Year of growth.

Outlook:

Your Company is very positive about the current & future years.

Cautionary Statement

The statements made in the report are based on assumptions and expectations. Actual results may differ in future. The Company assumes no responsibility in respect of forward looking statements that may be amended or modified later, on the basis of subsequent developments, information or events.

Exports:

Calculated on FOB basis, Exports amounted to ₹ 11,909 lakhs (₹ 8,665 Lakhs).The Company has been awarded the status of 'One Star Export House' in recognition of the Company's export performance. Your Company focuses on exports to achieve higher volumes year after year.

Directors' Responsibility Statement

As required pursuant to the Companies (Amendment) Act, 2000, the Board of Directors confirms that:

i] in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii] the directors 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.

iii] the directors have taken proper and sufficient care of the maintenance of 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.

iv] the directors have prepared the annual accounts on a going concern basis.

Finance

All taxes and statutory dues are being paid on time. Payment of interest and installments to the Financial Institutions and Banks are being made as per schedule. The Company is also very regular in meeting its commitments to its depositors. Deposits aggregating ₹ 10.27 Lakhs due for repayment on or before March 31, 2012 were not claimed by the depositors as on that date.

Statement pursuant to Listing Agreement

The Company's shares are listed with the National Stock Exchange of India Ltd. and the Bombay Stock Exchange Ltd. Your Company has paid the respective annual listing fees up-to-date and there are no arrears.

Report on Corporate Governance

A Report on Corporate governance is annexed herewith. Auditors' Report on the same is also annexed.

Personnel

Industrial Relations are extremely cordial. The Directors wish to place on record their appreciation of the devoted services rendered by the employees.

Directors

Mr. S.Sridhar ceased to be Managing Director w.e.f. 6th January, 2012. and continue as a Director.

Mr.S.Santhanam, Mr. Atul Agarwal and Mr.Pradeep Rathi Directors of the Company, retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

The Board recommends their aforesaid reappointments.

Auditors

M/s. Contractor, Nayak and Kishnadwala, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing AGM. The notice convening the AGM is self explanatory. Members are requested to re-appoint M/s. Contractor, Nayak and Kishnadwala, Chartered Accountants, as Auditors for the Current Year.

Particulars of Employees

As per the Companies (Particulars of Employees) Amendment Rules, 2011 vide Notification No.G.S.R.No.289(E) dated 31st March, 2011, no employee of the Company is in receipt of remuneration in excess of the limits under Section 217(2A) read with clause 642(1)(a) of the Companies Act, 1956.

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

The particulars required to be included in terms of Section 217 (1)(e) of the Companies Act, 1956 with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure- 1.

Acknowledgements

Your Directors would like to place on record their sincere appreciation for the continued support given by the Banks, Government Authorities, Customers, Vendors, Shareholders and Depositors during the year under review. Your Directors also appreciate and value the contributions made by its executives, staff and workers of the Company at all levels.

For and on behalf of the Board of Directors

Mumbai
24th May, 2012

R.Parthasarathy
Managing Director

ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1) (e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

CONSERVATION OF ENERGY:

Energy saving systems are incorporated wherever necessary. Energy savings are attempted continuously.

Existing energy saving systems are properly utilized and further devices are added when necessary.

I	Fuel Consumption	Units	Year Ending 2011 - 2012	Year Ending 2010 - 2011
1	Electricity			
	a) Purchased Units	KWHR	**1,537,220**	1,843,800
	Total Amount Paid	₹	**9,809,798**	10,058,916
	Rate per Unit	₹	**6.38**	5.46
	b) Own Generation	KWHR	**3,679,952**	3,690,923
	Unit / Ltr of HSD	KWHR/LTR	**2.78**	2.82
	Cost per Unit	₹	**14.88**	12.82
2	Coal : Consumed in the process	KWHR	**Nil**	Nil
3	Furnace Oil			
	Total Quantity	KL	**6,506**	6,369
	Total Amount	₹	**228,455,589**	168,917,983
	Average Rate	₹	**35,114**	26,522
4	Other Internal Generations	KWHR	**22,477,893**	23,334,872
5	Consumption Per Tonne of Production			
	Electricity	KWHR	**15.28**	17.17
	Furnace Oil	Ltr	**64.68**	59.30
	Diesel	Ltr	**13.16**	12.17
	Production Details (bagged - in MT)	Quantity Mts		
	Total Production	1,00,565		

II. Technology Absorption, Adaptation and Innovation.

Research and Development

1) Specific Areas in which R & D activities carried out by the company.
   a) Improvement in the quality and cost reduction of Specialties.
   b) Development of new value added products from Maleic Anhydride, Phthalic Anhydride and others.
   c) Reduction in the cost of production on food acids.
   d) Improvement in effluent treatment methods and effluent reduction using microbiological techniques.
   e) Reducing Energy Cost
2) Benefits derived as a result of above effects.
   a) Improvement of yield in the plants.
   b) Improvement in quality of products.
   c) Optimal utilization of Raw materials in Fine chemical plants.
   d) Significant Energy Reduction
3) Future plan of action.
   a) Process improvement to reduce Water Consumption and Effluent.
   b) Reduce energy cost per unit of production further.

4) Capital Expenditure on R & D

a)	Capital	**₹ 25.19 lakhs**	(₹ 1.05 lakhs)
b)	Recurring	**₹ 207.90 lakhs**	(₹ 236.14 lakhs)
c)	Total	**₹ 233.09 lakhs**	(₹ 237.19 lakhs)
	Total R&D expenditure as a % of sales	**0.26%**	0.29%

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, increased 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**

Export earnings	–	**₹ 11,909 lakhs**	(₹ 8,665 lakhs)
Outgo	–	**₹ 8,670 lakhs**	(₹ 15,303 lakhs)

For and on behalf of the Board of Directors

R. Parthasarathy
Managing Director

Mumbai,
24th May, 2012

CORPORATE GOVERNANCE REPORT 2011-12

(as required under Clause 49 of the Listing Agreement with Stock Exchanges)

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that good Corporate Governance practices would ensure efficient conduct of the affairs of the Company and facilitate the Company to achieve its goal of maximizing value to the shareholders and simultaneously enable the company to 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

Board of Directors of the Company ("Board") decides the policy and strategy for the Company and has the overall superintendence and control over the management of the Company.

a) Composition:

1) The Board of Directors of your Company presently comprises of a Non-Executive Chairman, One Managing Director and Nine Non Executive Directors.

2) All Directors other than Mr.R.Sampath, Mr. S. Santhanam, Mr. R. Parthasarathy and Mr. S. Sridhar are independent Directors.

b) **Board Meetings:**

6 meetings of the Board of Directors were held on the following dates:-

30.05.2011, 01.08.2011, 03.11.2011 07.12.2011 06.01.2012 and 10.02.2012. All operational and statutorily required information were placed before the Board. All significant events were also reported to the Board.

The Company Secretary, in consultation with the Chairman & Managing Director, drafts the agenda of the meeting. Agenda papers along with relevant details are circulated to all Directors, well in advance of the date of the Board meeting.

The details of attendance of each Director at the Board Meetings held during the financial year 2011-2012, and at the last AGM are given below:-

Name of the Director	Attendance at		No. of Directorships of other Public Companies	No. of Memberships of Board Sub-Committees
	Board Meetings	Last AGM		
Dr. S. Rama Iyer [1]	6	Yes	6	-
Mr. R. Parthasarathy [2]	5	Yes	-	-
Mr. S. Sridhar	6	Yes	1	3
Mr. S. Santhanam[3]	6	Yes	1	2
Mr. Dilip J Thakkar[4]	4	Yes	13	10
Mr. Pradeep Rathi[5]	3	Yes	11	5
Mr. Atul Agarwal	6	Yes	3	3
Mr. K. V. Krishnamurthy[6]	6	Yes	8	9
Mr. A. Janakiraman	6	Yes	-	-
Mr. P. Shankar	5	No	1	-

[1] Chairman –Appointed as Non-Executive Chairman w.e.f. 6th January, 2012

[2] Managing Director

[3] of which, 1 as Chairman

[4] of which, 5 as Chairman

[5] of which, 1 as Chairman

[6] of which, 3 as Chairman

c) Remuneration of Directors:

The remuneration paid to the Managing Directors is within the ceiling as per the resolution approved by the shareholders.

Details of remuneration paid to the Managing Directors during the year ended 31.03.2012 are:

Name	Position	Salary ₹	Commission ₹	Contribution to PF and other Fund ₹	Perquisites ₹
Mr. S. Sridhar (upto 06/01/2012)	Managing Director	48,00,000	Nil	9,49,846	Nil
Mr. R. Parthasarathy	Managing Director	48,00,000	Nil	21,03,692	Nil

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

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

Sitting fees paid to the Non-Executive Directors

Name of the Director	Sitting fees paid (₹)
Mr. R.Sampath	1,20,000
Mr. S. Santhanam	2,80,000
Mr. Dilip J Thakkar	2,00,000
Dr. S. Rama Iyer	2,00,000
Mr. Pradeep Rathi	60,000
Mr. Atul Agarwal	1,20,000
Mr. K. V. Krishnamurthy	1,80,000
Mr. A. Janakiraman	1,80,000
Mr. P. Shankar	1,00,000

d) Details of the Shares held by Non-Executive Directors as on 31/3/2012.

Name of the Director	No. of Shares held
Mr. R.Sampath	1,59,857
Mr. S. Santhanam	94,452
Mr. Atul Agarwal	15,000
Mr. S. Sridhar	1,07,147

BOARD COMMITTEES

Currently, the Board has three Committees: Audit Committee, Share Transfer/Investor Grievance Committee and Business Review Committee. The Audit Committee members also act as the selection/ Remuneration Committee Members.

Three/fourth of the Audit Committee consists of independent Directors and the Business Review Committee consists entirely of independent directors.

a) Audit Committee

Members:

1] Mr. Dilip J Thakkar - Chairman

2] Mr. S. Santhanam.

3] Mr. Atul Agarwal

4] Mr. K. V. Krishnamurthy

Mr. Dilip J. Thakkar is an eminent practicing Chartered Accountant, also Director in several Companies including 13 Public Companies (as also member in 10 Committees of Board with Chairmanship of 5 Committees).

Mr. S. Santhanam, Printing Technologist, having vast management experience, is a non-Executive Director and is Director of another public Company and member of 2 Committees of Board.

Mr. Atul Agarwal, also a qualified Chartered Accountant is the Managing Director of Mercator Lines Ltd. He is Director in 3 public Companies and member in 3 Committees of Board.

Mr. K. V. Krishnamurthy is a qualified Chartered Accountant and fellow member of the Indian Institute of Bankers. He is also Director in several Companies including 8 Public Companies (as also member in 9 Committees of Board with Chairmanship of 3 Committees). He has over 35 years experience in the banking industry and has served at various important positions over his illustrious career.

All of them have vast experience and knowledge of Commercial and Business matters.

The Composition of the Audit Committee of the Company meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the relevant Indian stock exchange.

The Audit Committee's objectives is to assist 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 the legal and regulatory requirements, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors and the performance, appointment and remuneration of internal auditors and the Company's risk and management policies.

Four meetings of the Audit Committee of the Board of Directors were held during the year 2011-2012 on 30.05.2011, 01.08.2011, 03.11.2011 and 10.02.2012. The details of attendance are given below:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Dilip J Thakkar	4	3
Mr. S. Santhanam	4	4
Mr. Atul Agarwal	4	4
Mr. K. V. Krishnamurthy	4	4

The Statutory Auditors attended all the Audit Committee meetings. The Company Secretary and the CFO attended all the Audit committee meetings. Audit Committee members also act as Selection /Remuneration Committee members.

The Audit Committee discussed the Company's accounts as also the periodic quarterly results and then it was placed before the Board of Directors, The Audit Committee also overview the Company's financial reporting process. The Audit Committee reviews the annual results before it is considered by the Board of Directors. The Audit Committee also reviews the Group Company transactions, Internal Auditors Report and the Action Taken Report thereon.

b) Share Transfer/Investors Grievance Committee and Allotment Committee:

The Share Transfer / Investors Grievance Committee constitutes of the following members:

1] Mr. S. Santhanam - Chairman

2] Mr. S. Sridhar

3] Mr. Dilip J Thakkar

The Share Transfer/Investors Grievance Committee deals with the following matters:

- Noting transfer/transmission of shares
- Monitors expeditious redressal of Investor Grievance matters received from stock exchanges, SEBI, ROC etc.
- Monitors redressal of queries/complaints received from shareholders relating to Transfers, non-receipt of Annual Report, dividend etc.
- All other matters related to shares.

Ms. Rita Malgaonkar, Company Secretary & Legal Head was the Compliance Officer upto 26th April, 2012. Mr. T. Rajagopalan has been appointed as Company Secretary and Compliance Officer w.e.f. 15th May, 2012. During the year, the Company received 19 queries/complaints from Shareholders which were all resolved promptly. The process of share transfer is delegated and is done about once a fortnight (depending on transfers received) which is confirmed and ratified by the Committee / Board at the subsequent meeting.

The Committee meets as often as is necessary. There has been no complaint from any investor which has not been redressed

promptly. Four meetings of the Share Transfer/Investors Grievance Committee were held during the year 2011-2012.

It has been noted that the shareholding in dematerialized mode as on 31st March, 2012 was 96.17 %.

c) Business Review Committee

Members:

1] Dr.S.Rama Iyer - Chairman

2] Mr. Atul Agarwal

3] Mr.A.Janakiraman

The Committee shall review the business of the company and also discuss possibilities of growth/expansion strategy aimed at market penetration, market development and / or product development, to raise the market share and or sales objectives upward significantly with reference to new projects for the overall improvement and growth of the company

The Committee shall meet at such intervals as may be necessary.

GENERAL BODY MEETINGS

The Thirty Nineth Annual General Meeting of the Company for the financial year 2011-2012 would be held on Friday, 13th July 2012 at 4.00 p.m. at Mysore Association Auditorium, , Bhaudaji Road, Matunga-(C.Rly) Mumbai.-400019

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2010-2011	01.08.2011	4.00 p.m	Mysore Association Auditorium Bhaudaji Road, Matunga-(C.Rly) Mumbai.
2009-2010	09.08.2010	4.00 p.m	Mysore Association Auditorium Bhaudaji Road, Matunga-(C.Rly) Mumbai.
2008-2009	24.9.2009	4.00 p.m	Mysore Association Auditorium Bhaudaji Road, Matunga-(C.Rly) Mumbai.

During these meetings, all resolutions were passed unanimously/by majority.

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

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 General Manager of the Factory at Ranipet / Associate Manager (Accounts), make report of statutory compliances which are placed before the Audit Committee, which is a detailed report. At the Board meeting following the Audit Committee meeting, the Company Secretary makes a report confirming statutory compliances for the said quarter.

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 cases of non-compliance by the Company, nor any cases of penalties, strictures imposed on the Company by any Stock Exchange or SEBI or any other 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, 2012. 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 and minimisation procedures.

CEO /CFO CERTIFICATION:

Appropriate certification as required Clause 49 V of the Equity Listing requirement with the stock Exchanges, Mr. R.Parthasarathy, Managing Director and Mr. T.S. Sankar, Head of Finance have certified to the Board regarding Financial Statements for the year ended 31st March, 2012.

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 a National daily and in a vernacular language newspaper.

GENERAL SHAREHOLDERS INFORMATION:

1)	Date, time and venue of 39th AGM	:	Friday, 13th July, 2012 at 4.00 p.m. at Mysore Association Auditorium, , Bhaudaji Road, Matunga-(C.Rly) Mumbai.-400019
2)	Date of Book Closure	:	Thursday, 5th July, 2012 to Friday, 13th July, 2012
3)	Listing on Stock Exchanges	:	Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).
4)	Listing fees	:	Paid as per the listing agreement.
5)	ISIN No	:	INE 338A01016.
6)	BSE Stock code	:	500412
7)	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- anand.c@thirumalaichemicals.com
9)	Registrar & Share Transfer Agent	:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (W) Mumbai-400 078. Tel: +91-22-25946970 Fax: +91-22-25946969 E-mail- helpdesk@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 mode. Shares	:	The Company's shares are traded in the Stock Exchanges compulsorily in demat. Those sent for physical transfer or dematerialisation requests are registered promptly within 15 days from the date of receipt of completed and validly executed documents.

12) Financial Calendar	:	Annual Results	-	24th May, 2012
		Mailing of Annual Reports	-	By 6th June, 2012
		Results for the Quarter ending:		
		June 30, 2012	-	By 14th August, 2012
		September 30, 2012	-	By 15th Nov, 2012
		December 31, 2012	-	By 15th Feb, 2013
		March 31, 2013	-	May, 2013
13) Dividend payment date	:	Not Applicable		
14) Dematerializations of shares	:	As on 31/3/2012, 96.17 % of the Company's Shares representing 98,46,269 shares were held in the dematerialized form.		
15) Plant Location	:	Ranipet, Vellore District, Tamil Nadu. Tel: +04172-244441. Fax: +04172-244308. E-Mail: mail@thirumalaichemicals.com		

16) Categories of Shareholders (as on 31.3.2012):

Category	No. of Shares	% of Shareholding
Promoters, Directors & their Relatives	1854631	18.11
Group companies	2700182	26.37
Financial Institutions / Banks	1575	0.02
Insurance companies	3600	0.04
NRIs / FIIs	94317	0.92
Companies / Bodies corporates	795165	7.77
General Public	4684519	45.75
Clearing members	101923	1.00
Trusts	2900	0.02
TOTAL	**10238812**	**100.00**

17) Distribution of Shareholding as on 31.03.2012:

No. of shares	No. of Shareholders	% of Shareholders	Shareholding	% of Shareholding
Upto 500	15016	90.43	1712583	16.73
501- 1000	826	4.97	654839	6.40
1001-2000	377	2.27	571674	5.58
2001-5000	223	1.34	720517	7.04
Over 5000	164	0.99	6579199	64.26
Total	**16606**	**100.00**	**10238812**	**100.00**

18) Stock market price data for the year 2011-2012

	BSE			NSE		
Month	**High (₹)**	**Low (₹)**	**No. of Shares**	**High (₹)**	**Low (₹)**	**No. of Shares**
April, 2011	115.90	101.50	48682	116.35	101.00	58562
May, 2011	111.80	103.00	48919	111.90	102.30	21017
June, 2011	108.00	93.00	54180	109.40	93.30	52298
July, 2011	103.00	93.25	54869	101.70	92.75	58320
August, 2011	95.95	66.05	90184	94.50	65.20	39878
September, 2011	79.95	68.60	28281	79.70	66.10	17977
October, 2011	76.00	65.00	37761	76.45	65.10	14119
November, 2011	73.00	53.10	45326	73.00	54.00	37611
December, 2011	59.95	50.00	41012	59.30	50.00	44083
January, 2012	68.40	49.20	673577	61.80	49.10	631786
February, 2012	63.00	50.65	450356	62.80	50.90	335497
March, 2012	55.90	42.00	230803	59.90	40.05	247399

DECLARATION BY THE CEO UNDER CLAUSE 49 1 (D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 sub-clause 1 (D) of the Listing Agreement with the Stock Exchange, 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, 2012.

For Thirumalai Chemicals Limited

R. Parthasarathy
Managing Director

Mumbai, 24th May, 2012

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members,
Thirumalai Chemicals Limited,
Mumbai

We have examined the compliance of conditions of Corporate Governance by THIRUMALAI CHEMICALS LIMITED for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

For and on behalf of
Contractor, Nayak & Kishnadwala
Chartered Accountants
Firm Registration Number: 101961W

H. V. Kishnadwala
Partner,
Membership No 37391

Mumbai, 24th May, 2012

AUDITORS' REPORT

The Members of
THIRUMALAI CHEMICALS LIMITED

1. We have audited the attached Balance Sheet of THIRUMALAI CHEMICALS LIMITED as at 31st March, 2012 (hereinafter referred to as 'the company'), the related Profit and Loss Statement and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the finandal statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, (hereinafter referred to as "the Order") issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

4. *As mentioned in Note E. 6 to the financial statements, the Company has an exposure of ₹ 425,500,456 in Optimistic Organic Sdn Bhd on account assumption of advances and other amounts due to the company from TCL Industries (Malaysia) Sdn Bhd (in liquidation). As detailed in the said note, the Company expects that the same would be recovered in future. We are unable to comment on the same. Our audit report for the last year was also modified accordingly;*

5. Further to our comments in the Annexure referred to In above paragraph, we report that:

   a) *Subject to our comments in paragraph 4 above,* we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of the books of the Company;

   c) The balance sheet, Profit and Loss Statement and the Cash Flow Statement dealt with by the report are in agreement with the books of account of the Company;

   d) *In our opinion, subject to our comments in paragraph 4 above,* the balance sheet, Profit and Loss Statement and the Cash Flow Statement comply with the mandatory Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

   e) On the basis of written representations received from the directors of the Company as on 31st March, 2012, and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2012, from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

   f) In our opinion and to the best of our Information and according to the explanations given to us, the said accounts read together with the notes to the financial statements *and subject to our observations in paragraph 4 above and consequential effect on the financial statements,* give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;

      b. In the case of the Profit and Loss Statement, of the profit for the year ended on that date,

      c. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For and on behalf of
Contractor, Nayak & Kishnadwala
Chartered Accountants
Firm Registration Number: 101961W

H. V. Kishnadwala
Partner,
Membership No 37391

Mumbai, 24th May, 2012

Statement referred to in paragraph 3 of the Auditors' Report of even date to the members of THIRUMALAI CHEMICALS LIMITED on the accounts for the year ended 31st March, 2012

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

1 (a) The company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets;

1 (b) As explained to us, an independent chartered engineer, valuer and appraiser appointed by the company had carried physical verification of the fixed assets during the year. Discrepancies noticed on such verification, which were not material, have been appropriately dealt with in the accounts;

1 (c) The fixed assets disposed off by the company were not substantial and therefore does not affect the going concern assumption;

2 (a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable;

2 (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;

2 (c) In our opinion, the Company is maintaining proper records of inventory and the discrepancies noticed on physical verification of the same were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account;

3 (a) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any company, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause 3(b), 3(c) and 3(d) of the Order are not applicable for the year;

3 (e) As per the information and explanations given to us, the Company has taken unsecured loans from a company covered in the register maintained under section 301 of the Companies Act, 1956. The details of such unsecured loan taken is as under:

Name of Party	Balance as on 31 March 2012 (₹)	Maximum balance outstanding during the year (₹)
Ultramarine & Pigments Ltd	Nil	131,149,352

3 (f) In case of the aforesaid unsecured loan taken, the rate of interest and the other terms and conditions are not prima·facie prejudicial to the interests of the Company;

3 (g) In case of the aforesaid unsecured loan, the repayment of principal amount and interest is regular;

4 In our opinion and as explained to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls and there is no continuing failure for the same;

5 (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered;

5 (b) In our opinion and as explained to us, the terms and conditions of the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 are reasonable having regard to the prevailing market prices at the relevant time;

6 In our opinion and according to the explanations given to us, the Company has generally complied with the provisions of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and rules made there under for the deposits accepted from the public *except non maintenance of liquid assets as prescribed by the Companies (Acceptance of Deposits) Rules 1975 for part of the year;*

7 In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business;

8 We have broadly reviewed the books of account maintained by the company in respect of manufacture of chemicals pursuant to the order made by the Central Government for the maintenance of cost records prescribed under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete;

9 (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees'

state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise-duty, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31st March, 2012, for a period of more than six months from the date they became payable;

9 (b) Disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the dues	Amount (₹)	Year/s to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	99,945	2005-06	Asst. Commissioner of Central Excise
Income Tax Act	Penalty	21,652,000	1996-97	Income Tax Appellate Tribunal
Foreign Exchange Management Act	Penalty	99,363,453	1996-97	Appellate Tribunal constituted under Foreign Exchange Management Act
Tamlinadu General Sales Tax Act	Interest on belated payments of tax	7,537,505	2000-01 to 2005-06	Madras High Court

Amounts paid under protest and not charged to Statement to Profit and Loss Account have not been included above. [Refer Note C.32(B) to the financial statements]

10 The company does not have any accumulated losses as on 31st March, 2012. The company has not incurred any cash losses during the financial year and in the immediately preceding financial year;

11 Based on the informatlon and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions and banks;

12 Based on our examination of the records and as explained to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities;

13 The Company is not a chit fund, nidhi, mutual benefit fund or a society;

14 During the year, the Company has not made any dealing and trading in shares, securities, debentures and other investments. The Company holds all shares, debentures and other investments held by the company in own name;

15 According to the Information and explanations given to us, the Company has given guarantees for loans taken by another company from banks where it has substantial interest. In our opinion, the terms and conditions thereof are not prejudicial to the interest of the company;

16 According to the information and explanations given to us, the term loans raised during the year were applied for the purpose for which they were obtained.

17 As explained to us and on an overall examination of the balance sheet of the Company, in our opinion there are no funds raised on short-term basis, which have been used for long term investments by the Company;

18 The Company has not made any preferential allotment of shares during the year;

19 During the year covered by our audit report the Company has not issued any secured debentures;

20 The Company has not raised any money by public issues during the year covered by our report.

21 As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
Contractor Nayak & Kishnadwala
Chartered Accountants
Firm Registration Number: 101961W

H. V. Kishnadwala
Partner,
Membership No 37391

Mumbai, 24th May, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	₹ As at 31st March, 2012	₹ As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) **Shareholders Funds**			
(a) Share Capital	C.1	**102,410,620**	102,410,620
(b) Reserves and Surplus	C.2	**1,062,858,040**	951,636,631
		1,165,268,660	1,054,047,251
(2) **Non-Current Liabilities**			
(a) Long-Term Borrowings	C.3	**888,443,357**	326,199,010
(b) Deferred Tax Liabilities (net)	C.4	**184,372,263**	208,739,005
(c) Long-Term Provisions	C.5	**37,459,816**	32,905,195
		1,110,275,436	567,843,210
(3) **Current Liabilities**			
(a) Short-Term Borrowings	C.6	**949,733,865**	990,005,287
(b) Trade Payables	C.7	**2,715,154,269**	1,946,608,044
(c) Other Current Liabilities	C.8	**509,514,229**	641,028,823
(d) Short-Term Provisions	C.9	**28,491,876**	25,412,629
		4,202,894,239	3,603,054,783
TOTAL		**6,478,438,335**	5,224,945,244
II. ASSETS			
Non-Current Assets			
(1) (a) Fixed Assets			
(i) Tangible Assets	C.10	**1,004,720,364**	994,978,169
(ii) Capital Work-in-Progress (Refer note E.1.)		**27,007,815**	30,516,079
(b) Non-Current Investments	C.11	**325,169,305**	279,379,855
(c) Long-Term Loans and Advances	C.12	**533,464,892**	378,792,467
(d) Other Non-Current Assets	C.13	**217,849,911**	204,737,709
		2,108,212,287	1,888,404,279
(2) **Current Assets**			
(a) Inventories	C.14	**1,421,340,007**	1,114,175,816
(b) Trade Receivables	C.15	**2,557,584,327**	1,908,986,093
(c) Cash and Cash Equivalents	C.16	**116,520,272**	12,951,764
(d) Short-Term Loans and Advances	C.17	**975,805**	685,200
(e) Other Current Assets	C.18	**273,805,637**	299,742,092
		4,370,226,048	3,336,540,965
TOTAL		**6,478,438,335**	5,224,945,244
Significant Accounting Policies	B		
Notes to Financial Statements	A, C, D & E		

As per our report of even date
For & on behalf of

CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS

H. V. KISHNADWALA
PARTNER

MUMBAI, 24TH MAY, 2012

For and on behalf of the Board of Directors

R. PARTHASARATHY
MANAGING DIRECTOR

ATUL AGARWAL
DIRECTOR

R. SAMPATH
DIRECTOR

T. RAJAGOPALAN
COMPANY SECRETARY

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Particulars	Note No.	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
I	Revenue from Operations	C.19	**9,054,204,569**	7,644,428,730
II	Other Income	C.20	**58,759,817**	67,601,723
III	**Total Revenue (I + II)**		**9,112,964,386**	**7,712,030,453**
IV	Expenses			
	Cost of Materials Consumed	C.21	**6,821,384,509**	5,434,104,908
	Purchase of Stock in Trade	C.22	**625,896,736**	565,307,981
	Changes in Stock	C.23	**(156,415,570)**	(3,317,547)
	Employee Benefits Expense	C.24	**183,773,246**	147,654,939
	Finance Costs	C.25	**523,727,282**	308,517,359
	Depreciation and Amortization	C.10	**138,053,942**	133,869,727
	Other Expenses	C.26	**918,490,442**	862,289,521
	Total Expenses		**9,054,910,587**	7,448,426,888
V	**Profit Before Tax**		**58,053,799**	263,603,565
VI	**Tax Expense**			
	Current Tax		**(34,593,800)**	(51,130,000)
	MAT Credit Entitlement		**-**	48,176,593
	Deferred Tax		**24,366,742**	(70,990,059)
	Adjustment for earlier years		**(20,000)**	(4,148,313)
VII	**Profit for the year**		**47,806,741**	185,511,786
VIII	**Earnings per equity share - Par value Rs. 10 per share**			
	Basic and Diluted		**4.67**	**18.12**
	Significant Accounting Policies	B		
	Notes to Financial Statements	A, C, D & E		

As per our report of even date
For & on behalf of

CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS

H. V. KISHNADWALA
PARTNER

MUMBAI, 24TH MAY, 2012

For and on behalf of the Board of Directors

R. PARTHASARATHY
MANAGING DIRECTOR

ATUL AGARWAL
DIRECTOR

R. SAMPATH
DIRECTOR

T. RAJAGOPALAN
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

			₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
(A)	**Cash Flow From Operating Activites**			
	Net Profit Before Tax and Extraordinary items		**58,053,799**	263,603,565
	Adjustments for			
	Depreciation		**138,053,942**	133,869,727
	Finance Costs		**523,727,282**	308,517,359
	Interest Income		**(5,864,896)**	(30,360,538)
	Dividend Received		**(9,192,800)**	(9,177,387)
	Loss/(Profit) on sale of assets		**(19,194)**	(17,785)
			646,704,334	402,831,377
	Operating Profit before Working Capital changes		**704,758,133**	666,434,942
	Adjustments for			
	(Increase) / decrease in Trade and Other Receivables		**(674,542,949)**	(192,042,345)
	(Increase) / decrease in Inventories		**(307,164,191)**	(203,076,736)
	Increase / (decrease) in Trade and Other Payables		**742,130,094**	767,387,452
			(239,577,046)	372,268,370
	Cash Generated From Operations		**465,181,087**	1,038,703,312
	Interest paid		**(350,511,655)**	(245,565,228)
	Direct Tax paid		**(49,087,863)**	(34,717,620)
	Deferred Tax		**24,366,742**	(70,990,059)
			(375,232,776)	(351,272,907)
	Net Cash Inflow / (Outflow) From Operations	**(a)**	**89,948,311**	687,430,405
(B)	**Cash Flow From Investment Activities**			
	Sale of Fixed Assets		**147,854**	554,000
	Purchase of Fixed assets and Capital work in Progress		**(144,416,533)**	(48,831,169)
	Loan given to Subsidiary		**(101,720,000)**	-
	Interest Received		**5,864,896**	30,360,538
	Sale/ (Purchase) of Investments (net)		**(45,789,450)**	(224,792,300)
	Dividend Received		**9,192,800**	9,177,387
	Foreign Currency Translation Reserve		**63,414,668**	-
	Net Cash Inflow / (Outflow) From Investing Activities	**(b)**	**(213,305,765)**	(233,531,544)
(C)	**Cash Flow From Finance Activities**			
	Proceeds from Long Term Borrowings		**825,200,000**	79,249,000
	Repayment of Long Term Borrowings		**(384,786,989)**	(378,019,551)
	Short Term Borrowings (net)		**(40,271,422)**	(59,507,440)
	Interest on Borrowings		**(173,215,627)**	(62,952,130)
	Dividend paid (including dividend distribution tax)		-	(59,696,753)
	Net Cash Inflow / (Outflow) From Financing Activities	**(c)**	**226,925,962**	(480,926,874)
	Net Increase / (Decrease) in Cash or Cash Equivalents	**(a+b+c)**	**103,568,508**	(27,028,012)
	CASH AND CASH EQUIVALENTS - (OPENING)			
	- Cash and Bank balance		**12,951,764**	39,979,775
	CASH AND CASH EQUIVALENTS - (CLOSING)			
	- Cash and Bank balance		**116,520,272**	12,951,764
	TOTAL		**103,568,508**	(27,028,012)

NOTE:

1. Cash and cash equivalents includes ₹ 58,088,047 (Previous Year ₹ 4,522,342) on account of fixed deposits, margin money, unclaimed dividend and unclaimed interest, which are not available for use by the Company.
2. Figures in the brackets represents cash outflows.
3. Previous year figures have been regrouped wherever necessary to conform to the current year's classification.

As per our report of even date
For & on behalf of

CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS

H. V. KISHNADWALA
PARTNER

MUMBAI, 24TH MAY, 2012

For and on behalf of the Board of Directors

R. PARTHASARATHY
MANAGING DIRECTOR

ATUL AGARWAL
DIRECTOR

R. SAMPATH
DIRECTOR

T. RAJAGOPALAN
COMPANY SECRETARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

A. CORPORATE INFORMATION

Thirumalai Chemicals Limited is a public limited company domiciled in India incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in manufacturing and selling chemicals. The company caters to both domestic and international markets.

B. SIGNIFICANT ACCOUNTING POLICIES

I BASIS OF ACCOUNTING:

The financial statements are prepared in conformity with Generally Accepted Accounting Principles in India, the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the other relevant provisions of the Companies Act, 1956. The Accounts have been prepared on the basis of historical cost. The Company follows the mercantile system of accounting for recognising income and expenditure on accrual basis.

II USE OF ESTIMATES:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual and estimates are recognised in the period in which the results are known/ materialised.

III REVENUE RECOGNITION:

a} Sale of goods are recognised when risk and rewards of ownership of the products are passed on to the customers which is generally on despatch of goods. Service revenue is recognised as per terms of contract. Sales include amounts recovered towards Excise Duty, and are net of returns.

b} Revenue from sale of power from wind operated generators is accounted when the same is transmitted / confirmed by the Electricity Board.

c} Revenue from letting out of storage facilities are accounted on accrual basis.

d} Duty free imports of raw materials under Advance Licence for imports as per the Import and Export Policy are matched with the exports made against the said licences and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption. The benefits accrued under the Duty Drawback and Duty Entitlement Pass Book Benefits as per the Import and Export Policy in respect of exports made under the said scheme have been included under the head 'Duty Drawback and Duty Entitlement Pass Book Benefits'.

e} Revenue from sale of scrap is recognised as and when scrap is sold.

f} Revenue from interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

g} Revenue from dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

IV FIXED ASSETS:

Tangible Assets:

Fixed Assets are recorded at cost of acquisition or construction / erection including taxes, duties, freight and other incidental expenses related to acquisition and installation. Interest incurred during construction period on borrowings to finance qualifying fixed assets is capitalised. Fixed Assets which are not in active use are scrapped and written off.

V DEPRECIATION:

Depreciation on Plant and Machinery and Building is provided on Straight Line method except on Maleic Anhydride plant and all assets of CMC division, which has been provided on Written Down Value method. The rates at which depreciation is provided as above, are as prescribed by Schedule XIV to the Companies Act, 1956 and in terms of relevant circulars issued by the Department of Company Affairs.

VI INVESTMENTS:

Investments which are all long-term are stated at cost of acquisition and related expenses. Provision is made for any diminution, other than temporary, in the value of investments.

VII INVENTORIES:

Items of Inventory are valued on the principle laid down by Accounting Standard 2 on "Valuation of Inventories" on the basis given below

(a)	Stores and Spare Parts	At cost (on weighted average basis) including incidental expenses like freight, transport etc. or net realisable value whichever is lower.
(b)	Raw Materials	At cost (on weighted average basis) including incidental expenses like freight, transport etc. or net realisable value whichever is lower.
(c)	Work-in-Progress	At raw material cost plus proportionate fixed and variable manufacturing expenses or net realisable value whichever is lower.
(d)	Finished Goods	At Cost or net realisable value whichever is lower. Cost is calculated at raw Material cost plus all fixed and variable manufacturing expenses. Excise duty is also included in valuation.
(e)	Catalyst	Cost of Catalyst is expensed over its estimated useful life.

VIII EMPLOYEE BENEFITS :

1. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentive paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund and superannuation etc. recognised as actual amounts due in period in which the employee renders the related services.

2. Post-employment benefits

a. Defined contribution plan

Payment made to defined contribution plans such as Provident is charged as expenses as they fall due.

b. Defined Benefit Plans

The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

3. Other Long – term employee benefits

Other Long term employee benefit is recognised as an expenses in the profit and loss account as and when it accrues. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. The actuarial gains and losses in respect of such benefit are charged to the profit and loss account.

IX FOREIGN CURRENCY TRANSLATION:

a} Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction.

b} Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of Monetary items which are covered by foreign exchange contracts, the difference between the year end rates and the rate on the date of contract is recognised as exchange difference and the premium on such forward contracts is recognized over the life of the forward contract. The exchange differences arising on settlement / translation are recognised in the profit and loss statement.

c} Exchange differences arising on long term foreign currency loans given to non-integral foreign subsidiaries is accumulated in Foreign Currency Translation Reserve and reversed to profit and loss statement as and when the loans are repaid/settled.

X BORROWING COSTS:

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised 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 recognised as an expense in the period in which they are incurred.

XI LEASE RENTALS:

Lease rentals paid in respect of assets taken on lease are charged to revenue over the estimated life of the assets.

XII TAXATION:

Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing difference being differences between taxable incomes and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods.

XIII PROVISIONS, CONTINGENT LIABILITES AND CONTINGENT ASSETS:

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liabilities 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 recognised in the financial statements, since this may result in recognition of income that may never be realised.

XIV CASH AND CASH EQUIVALENTS

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

C.1 SHARE CAPITAL	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Authorised		
15,000,000 (15,000,000) Equity shares of ₹ 10/- each	**150,000,000**	150,000,000
10,000,000 (10,000,000) Unclassified shares of ₹ 10/- each	**100,000,000**	100,000,000
	250,000,000	250,000,000
Issued		
10,242,812 (10,242,812) Equity shares of ₹ 10/- each	**102,428,120**	102,428,120
Subscribed and fully paidup		
10,238,812 (10,238,812) Equity Shares of ₹ 10/- each	**102,388,120**	102,388,120
Add: Amount paid up on forfeited shares	**22,500**	22,500
	102,410,620	102,410,620

(a) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. 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.

(b) Details of shareholder holding more than 5% share

	As at 31st March, 2012		As at 31st March, 2011	
Name of the Entity	**No. of Shares**	**% of holding**	No. of Shares	% of holding
Ultramarine & Pigments Limited	**2,045,177**	**19.97**	2,045,177	19.97
Jasmine Limited	**655,005**	**6.40**	655,005	6.40

(c) The Company has forfeited 4,000 (4,000) equity shares on which amount originally paid up is ₹ 22,500.

(d) The is no change in Issued and Subscribed share capital during the year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

C.2 RESERVES AND SURPLUS	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Securities Premium Account		
Balance as per last Balance Sheet	**197,069,526**	197,069,526
General Reserve		
Balance as per last Balance Sheet	**398,252,062**	398,252,062
Foreign Currency Translation Reserve		
Exchange fluctuation on Long Term Loans in relation to non-integral foreign operations (net)	**63,414,668**	-
Surplus		
Balance as per last Balance Sheet	**356,315,043**	170,803,256
Profit for the year transferred from Profit and Loss Statement	**47,806,741**	185,511,787
Balance at the end of the year	**404,121,784**	356,315,043
Total	**1,062,858,040**	951,636,631

C.3 LONG TERM BORROWINGS		
Term Loans (Secured)		
From Banks		
(a) Bank of India (refer note I.a below)	**210,000,000**	-
From Institutions		
(a) Export Import Bank of India Overseas Investment Finance Loan (refer note I.b below)	**166,725,000**	-
(b) Export Import Bank of India Long Term Working Capital Demand Loan (refer note I.c below)	**260,000,000**	-
(c) Export Import Bank of India Production Equipment Loan (refer note I.d below)	**-**	24,375,000
(d) Export Import Bank of India Export Oriented Unit Loan (refer note I.e below)	**41,180,954**	82,361,906
	677,905,954	106,736,906
Deferred Payment Liabilities (Unsecured)		
Gujarat Industrial Development Corporation (refer note II .a below)	**22,059,341**	-
Deferral of sales tax liabilities (refer note II.b below)	**99,407,062**	132,508,104
Deposits (Unsecured)		
Fixed deposits	**89,071,000**	86,954,000
	888,443,357	326,199,010

I. In respect of term loans from banks and financial institutions, terms of repayments and nature of security are given below:

a. Term loan from Bank of India, is repayble in equal 30 monthly instalments starting from July 2012 up to December 2014. The loan is secured by way of second charge (on pari passu basis) over the immovable properties of the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

b. Export Import Bank of India Overseas Investment Finance loan is repayable in 16 equal quarterly instalments starting from July 2012 up to April 2016. The loan is secured by First Pari Passu charge on Movable fixed assets and immovable assets at Ranipet.

c. Export Import Bank of India Working Capital Demand Loan is repayable in 16 equal quarterly instalments starting from July 2012 up to April 2016. The loan is secured by First Pari Passu charge on Movable fixed assets and immovable assets at Ranipet.

d. Export Import Bank of India Production Equipment Loan is repayable in 16 equal quarterly instalments starting from Jan 2009 up to Decembr 2012. The loan is secured by exclusive charge on Wind Mill.

e. Export Import Bank of India EOU Loan is repayable in 21 equal quarterly instalments starting from March 2009 upto March 2014. The loan is secured by First Pari Passu charge on Movable fixed assets and immovable assets at Ranipet.

f. The interest rates in the case of the above term loans vary from 5 % per annum to 15.5% per annum.

II. Deferred payment liabilities

a. Amounts due to Gujarat Industrial Develoment Corporation represents amount payable for acquiring lease hold land for industrial project. This loan is repayable in 12 equal quarterly instalments commencing from June 2011 to March 2014.

b. Deferral of sales tax liabilities represent interest free deferred sales tax loan received from Government of Tamilnadu, repayable up to 2017-18 based on the deferment availed in the respective years.An amount of ₹ 379,047 only has been guaranteed by Shri R.Parathasarathy, Managing Director of the company. For the Deferred Sales Tax liabilities in case of default in repayment of 'Deferred sales tax liabilities' the movable and immovable properties of the company are liable to be attached / proceeded towards the realisation of outstanding Government loan under Revenue Recovery Act.

C.4 DEFERRED TAX LIABILITY (NET)	₹ **As at 31st March, 2012**	₹ As at 31st March, 2011
Nature of timing difference		
Deferred Tax Liability		
Depreciation	**202,675,252**	229,110,961
Total	**202,675,252**	229,110,961
Deferred Tax Assets		
Disallowances under Income Tax Act, 1961	**18,302,989**	20,371,956
Total	**18,302,989**	20,371,956
Deferred Tax Liability (Net)	**184,372,263**	208,739,005
C.5 LONG TERM PROVISION		
Provision for Gratuity (non funded)	**27,956,967**	27,607,097
Provision for Compensated absences (non funded)	**9,502,849**	5,298,098
	37,459,816	32,905,195

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

C.6 SHORT TERM BORROWINGS	₹ As at 31st March, 2012	₹ As at 31st March, 2011
(a) Loan payable on Demand (Secured)		
From Banks		
Working Capital Demand Loan	**258,522,367**	326,843,823
Cash Credit/Export Credit Accounts	**83,281,337**	263,808,545
Bills purchased and discounted	**9,194,729**	53,313,678
(b) Other Loans and Advances		
Export Import Bank of India Pre/Post Shipment (Secured)	**598,735,432**	346,039,241
	949,733,865	990,005,287

Working Capital Demand Loan/Cash credit/Export credit accounts and Bills purchased and 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.

Export Import Bank of India Pre/post shipment is 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.

C.7 TRADE PAYABLES		
Acceptances	**2,443,093,283**	1,343,444,610
Trade Payables	**272,060,986**	603,163,434
	2,715,154,269	1,946,608,044

Out of trade payable ₹ 2,104,221 (Previous year ₹ 707,615) pertain to micro, small and medium enterprises as defined under Micro, Small, and Medium Development Act, 2006 based on the information available with the Company. (refer note E.3.)

C.8 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt	**388,495,833**	510,327,169
Book Overdraft with Banks	**2,813,774**	2,526,547
Unclaimed Dividend (Refer note below)	**3,484,807**	4,002,988
Unclaimed Matured Deposits and Interest Accrued thereon (Refer note below)	**457,337**	739,091
Deposits from Service Providers	**5,706,633**	6,277,830
Interest Accrued but not due on Loans	**7,695,153**	7,276,593
Payable to Statutory Authorities	**26,942,030**	30,077,154
Advances from Customers	**12,283,015**	11,183,718
Amounts due to Consignment Agents	**23,370,050**	7,603,134
Other Payables	**38,265,597**	61,014,599
	509,514,229	641,028,823

Note : Unclaimed dividend, Unclaimed matured deposits and interest accrued thereon included above represent amounts to be credited to the Investor Education and Protection Fund as and when they become due.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ As at 31st March, 2012	₹ As at 31st March, 2011
C.9 SHORT TERM PROVISIONS		
Provision for Gratuity (non funded)	**21,303,997**	19,508,804
Provision for Compensated absences (non funded)	**7,187,879**	5,903,825
	28,491,876	25,412,629

C.10 FIXED ASSET - TANGIBLE

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description	AS AT 1st April, 2011	Additions	Deductions	**As at 31st March, 2012**	As at 1st April, 2011	Charge for the Period	Deductions	**As at 31st March, 2012**	**As at 31st March, 2012**	As at 31st March, 2011
Land (Freehold)	3,749,329	-	-	**3,749,329**	-	-	-	**-**	**3,749,329**	3,749,329
Land (Leasehold) (refer note D.5. (c)	-	97,033,326	-	**97,033,326**	-	980,138	-	**980,138**	**96,053,188**	-
Buildings	128,984,850	-	-	**128,984,850**	50,251,426	3,172,607	-	**53,424,033**	**75,560,817**	78,733,424
Plant and machinery	2,271,827,751	40,393,860	-	**2,312,221,611**	1,568,767,442	100,936,370	-	**1,669,703,812**	**642,517,799**	703,060,309
Wind operated generators	165,023,000	-	-	**165,023,000**	49,767,601	17,063,379	-	**66,830,980**	**98,192,020**	115,255,399
Computer equipments	19,774,613	1,206,618	-	**20,981,231**	16,385,662	1,354,197	-	**17,739,859**	**3,241,372**	3,388,951
Office equipments	11,171,932	1,424,992	-	**12,596,924**	6,413,361	787,500	-	**7,200,861**	**5,396,063**	4,758,571
Furniture and fixtures	37,365,454	1,794,362	-	**39,159,816**	21,201,778	6,105,006	-	**27,306,784**	**11,853,032**	16,163,676
Vehicles	10,397,076	3,552,460	(563,022)	**13,386,514**	5,933,504	1,537,029	(434,362)	**7,036,171**	**6,350,343**	4,463,572
Details of Assets used for R & D										
Plant and machinery	78,461,990	-	-	**78,461,990**	17,392,869	3,697,189	-	**21,090,058**	**57,371,932**	61,069,121
Furniture, fixtures and office equipments	6,978,722	2,519,179	-	**9,497,901**	2,642,905	2,420,527	-	**5,063,432**	**4,434,469**	4,335,817
Total	**2,733,734,717**	**147,924,797**	**(563,022)**	**2,881,096,492**	**1,738,756,547**	**138,053,942**	**(434,362)**	**1,876,376,128**	**1,004,720,364**	**994,978,169**
Previous Year	2,714,842,398	21,606,222	(2,713,903)	2,733,734,717	1,607,064,511	133,869,727	(2,177,691)	1,738,756,547	994,978,169	1,107,777,887

		₹ As at 31st March, 2012	₹ As at 31st March, 2011
C.11 NON CURRENT INVESTMENTS			
Trade investments (At cost)			
Investment in subsidiaries			
Tarderiv International Pte. Ltd., Singapore			
In equity instruments		**22,480,000**	22,480,000
(Representing 100% share capital of subsidiary)			
500,000 (500,000) equity shares of US$ 1 each fully paid up			
In preference equity shares		**248,109,450**	202,320,000
5,500,000 (4,500,000) preference shares of US$ 1 each fully paid up			
	(A)	**270,589,450**	**224,800,000**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

		₹ As at 31st March, 2012	₹ As at 31st March, 2011
Other investments (At cost)			
In equity instruments			
Quoted (At Cost)			
Neyveli Lignite Corporation Ltd.		**313,958**	313,958
5,000 (5,000) equity shares of ₹ 10 each fully paid up			
Piramal Glass Limited		**620**	620
62 (62) equity shares of ₹ 10 each fully paid-up			
Piramal Healthcare Limited(Earlier known as Nicholas Piramal Ltd.)		**122,728**	122,728
1,409 (1,375) equity shares of ₹ 2 each fully paid up			
Piramal Life Science Limited		**25,727**	25,727
137(137) equity shares of ₹ 10 each fully paid-up			
Tata Power Limited		**7,699**	7,699
500 equity shares of ₹ 1 each (50 equity shares of ₹ 10 each fully paid-up)			
Ultramarine & Pigments Limited		**53,775,623**	53,775,623
3,044,800 (3,044,800) equity shares of ₹ 2 each fully paid-up			
Resins and Plastics Ltd.		**300,000**	300,000
10,000 (10,000) equity shares @ ₹ 10 each fully paid-up			
	(B)	**54,546,355**	54,546,355
Quoted (At realisable value)			
Futuristic Offshore Services and Chemicals Ltd.		**1,050**	1,050
(Earlier known as Ganesh Anhydride Ltd.)			
100 (100) equity shares @ ₹ 10 each fully paid-up			
Less: Provision for diminution other than temporary		**(950)**	(950)
		100	100
Maruti Plastics Ltd		**51,239**	51,239
4,000 (4,000) equity shares @ ₹ 10 each fully paid-up			
Less: Provision for diminution other than temporary		**(47,239)**	(47,239)
		4,000	4,000
Indu Nissan Oxo Chemical Ltd.		**115,595**	115,595
9,150 (9,150) equity shares @ ₹ 10 each fully paid-up			
Less: Provision for diminution other than temporary		**(106,445)**	(106,445)
		9,150	9,150
	(C)	**13,250**	13,250

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Unquoted (At Cost)		
Kamer Co-operative Housing Society Limited	**250**	250
5 (5) equity shares @ ₹ 50 fully paid up		
The Sarawat Co-operative Bank Ltd	**20,000**	20,000
200 (200) equity shares @ ₹ 100 each fully paid up		
(D)	**20,250**	20,250
(E) = (A+B+C+D)	**325,169,305**	279,379,855
Aggregate amount of Quoted Investments	**54,559,605**	54,559,605
Market value of Quoted Investments	**154,324,840**	126,193,579
Aggregate amount of Unquoted Investments	**270,609,700**	224,820,250
Aggregate provision for diminution in value of investments	**154,634**	154,634
C.12 LONG-TERM LOANS AND ADVANCES		
(Considered Good)		
Capital Advances	**-**	10,880
Deposit with Government Authorities	**4,987,617**	5,814,815
Deposit with Others	**1,256,819**	1,260,434
Loans and Advances (to subsidiary companies) (refer note E.6.)	**527,220,456**	371,706,338
	533,464,892	378,792,467
C.13 OTHER NON CURRENT ASSETS		
(Unsecured and Considered Good)		
Taxes Paid in Advance (Net of provision for tax)	**116,087,874**	88,180,229
Minimum Alternate Tax Credit Entitlement	**98,763,011**	112,196,593
Other loans and advances	**2,999,026**	4,360,887
	217,849,911	204,737,709
C.14 INVENTORIES		
(valued at lower of cost and net realisable value)		
[As per inventory taken, valued and certified by a director]		
Stores and Spares (refer note a.)	**64,278,642**	69,949,970
Fuel	**2,536,000**	4,644,000
Packing Materials	**2,662,228**	2,699,646
Raw Materials	**639,566,000**	480,387,000
Catalyst	**94,447,965**	95,061,599
Finished Goods (refer note b.)	**399,243,750**	337,056,000
Work in Progress	**159,600,000**	92,711,000
Stock of Trading items	**59,005,422**	31,666,601
	1,421,340,007	1,114,175,816

Note:

a. Includes material in transit amounting to ₹ 168,642 (Previous year ₹ 7,405,970)

b. Includes material in transit amounting to ₹ 151,769,170 (Previous year ₹ 16,557,981)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ As at 31st March, 2012	₹ As at 31st March, 2011
C.15 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Debts outstanding for a period exceeding six months from due date	**37,525,162**	34,157,283
Other Debts	**2,520,059,165**	1,874,828,810
	2,557,584,327	1,908,986,093
C.16 CASH AND CASH EQUIVALENTS		
Cash on hand	**249,667**	296,860
Balance with Banks		
In current accounts	**58,182,558**	8,132,562
In deposit account	**15,300,000**	-
In Margin money account against letters of credit issued by banks	**39,087,985**	160,000
Earmarked balances with banks		
Unpaid Dividend	**3,484,807**	4,002,988
Unpaid Interest	**215,255**	359,354
	116,520,272	12,951,764
C.17 SHORT-TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Staff advances	**975,805**	685,200
	975,805	685,200
C.18 OTHER CURRENT ASSETS		
(Unsecured and Considered Good)		
Balance with Customs and Excise	**52,404,106**	108,832,886
Advance to Suppliers	**20,220,083**	14,878,282
Other Loans and Advances	**201,181,448**	176,030,924
	273,805,637	299,742,092

(Other loans and advances include amount due from Managing Directors ₹ 15,363,288 (₹ 1,536,000).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
C.19 REVENUE FROM OPERATIONS		
Sales		
Manufactured Goods	**8,947,266,623**	7,484,453,189
Traded Goods	**775,560,337**	711,108,368
Gross sales	**9,722,826,960**	8,195,561,575
Less: Excise Duty Recovered on Sales	**747,375,900**	609,193,746
Net sales	**8,975,451,060**	7,586,367,829
Other Operating revenues:		
Sales of Power from Wind Operated Generators	**13,757,978**	14,557,834
Income from Letting out of Storage Facility	**23,969,424**	21,227,976
Duty Drawback and Duty Entitlement Pass Book Benefits	**31,186,026**	16,311,885
Sale of Scrap	**9,840,081**	5,963,206
	9,054,204,569	7,644,428,730
Details of products sold		
Phthalic Anhydride	**7,596,327,846**	6,327,173,661
Food Acids	**774,955,044**	689,729,204
Pthalate Esters	**573,604,732**	466,230,739
Others	**2,379,001**	1,319,585
	8,947,266,623	7,484,453,189
Details of trading sales		
Maleic Anhydride and Other Chemicals	**758,247,082**	702,290,177
Machinery Items	**17,313,255**	8,818,209
	775,560,337	711,108,386
C.20 OTHER INCOME		
Interest Income	**5,864,896**	30,360,538
Dividend Income from Long Term Investments	**9,192,800**	9,177,387
Profit on Sale of Assets (Net)	**19,194**	17,785
Insurance Claims	**59,960**	18,168,381
Rent Received	**3,944,254**	3,022,719
Recovery of Consortium Fee of Prior Period	**1,600,608**	-
Sundry balances written back (Net)	**423,130**	2,982,436
Gain on Foreign Currency Transaction / Translation	**12,736,909**	-
Surrender value on assignment of Keymen Insurance Policy	**15,363,288**	-
Miscellaneous Receipts	**9,554,778**	3,872,478
	58,759,817	67,601,724

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
C.21 COST OF MATERIALS CONSUMED		
Raw Materials, Process Chemicals and Catalyst Consumed		
Stock at Commencement	**575,448,599**	385,717,807
Add: Purchases	**6,991,867,412**	5,636,931,457
	7,567,316,011	6,022,649,264
Less: Sales	**11,917,537**	13,095,757
Less: Stock at close	**734,013,965**	575,448,599
	6,821,384,509	5,434,104,908
Details of Raw Materials Consumed		
Orthoxylene	**6,346,942,484**	4,905,721,854
Others	**474,442,025**	528,383,054
	6,821,384,509	5,434,104,908
C.22 PURCHASES OF STOCK IN TRADE		
Traded Goods		
Purchase of Maleic Anhydride and Other Chemicals	**606,593,233**	560,895,851
Purchase of Machinery and Spares	**19,303,503**	4,412,130
	625,896,736	565,307,981
C.23 CHANGES IN STOCK		
Inventories at the end of the year		
Finished Goods	**399,243,750**	337,056,000
Work in Progress	**159,600,000**	92,711,000
Stock of Trading items		
Maleic Anhydride and other chemicals	**53,359,000**	30,342,000
Machinery and Spares	**5,646,422**	1,324,602
	617,849,172	461,433,602
Inventories at the beginning of the year		
Finished Goods	**337,056,000**	388,022,000
Work in Progress	**92,711,000**	50,819,000
Stock of Trading items		
Maleic Anhydride and Other Chemicals	**30,342,000**	17,928,055
Machinery and Spares	**1,324,602**	1,347,000
	461,433,602	458,116,055
Changes in Inventory	**156,415,570**	3,317,547

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
Details of Finished goods at the end of the year		
Phthalic Anhydride	**359,658,000**	295,945,000
Others	**39,585,750**	41,111,000
	399,243,750	337,056,000
Details of Finished goods at the beginning of the year		
Phthalic Anhydride	**295,945,000**	327,618,000
Others	**41,111,000**	60,404,000
	337,056,000	388,022,000
Details of Work in progress at the end of the year		
Phthalic Anhydride	**118,995,000**	67,208,000
Others	**40,605,000**	25,503,000
	159,600,000	92,711,000
Details of Work in progress at the beginning of the year		
Phthalic Anhydride	**67,208,000**	29,802,000
Others	**25,503,000**	21,017,000
	92,711,000	50,819,000
Trading stocks		
i. Maleic Anhydride and other chemicals		
Opening Stock	**30,342,000**	17,928,055
Purchase	**606,593,233**	560,895,851
Sales	**758,247,082**	702,290,177
Closing Stock	**53,359,000**	30,342,000
ii. Machinery items		
Opening Stock	**1,324,602**	1,347,000
Purchases	**19,303,503**	4,412,130
Sales	**17,313,255**	8,818,209
Closing Stock	**5,646,422**	1,324,602
C.24 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus, etc	**154,566,786**	123,952,735
Contribution to Provident Fund and Other Funds	**18,551,706**	13,662,454
Staff Welfare Expenses	**10,654,754**	10,039,750
	183,773,246	147,654,939

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
C.25 FINANCE COSTS		
Interest Expense	**381,221,504**	229,731,576
Exchange Loss on Foreign Currency Loan	**82,297,018**	4,156,930
Interest on Income Tax	**810,000**	435,207
Bank Charges	**59,398,760**	74,193,646
	523,727,282	308,517,359

Interest expense includes interest on acceptance ₹ 105,170,659 (Previous year ₹ 55,507,135) .

C.26 OTHER EXPENSES		
Stores and Spares consumed	**50,787,208**	41,055,343
Power and Fuel	**300,592,357**	233,321,570
Excise Duty on Stock	**11,745,974**	(13,874,232)
Repairs to:		
Machinery	**26,102,113**	19,407,941
Buildings	**17,395,709**	18,784,264
Others	**3,234,320**	3,619,364
Packing expenses and Materials consumed	**61,504,760**	61,114,160
Freight and Forwarding	**285,688,992**	298,558,575
Commission and Brokerage	**26,266,787**	26,234,112
Rent	**1,200,969**	1,005,075
Rates and taxes	**3,037,534**	447,412
Insurance	**14,131,376**	12,596,225
Travelling and Conveyance	**15,466,375**	15,506,374
Communication Expenses	**4,534,548**	3,616,029
Research and Development Expenses (refer note E.2.)	**20,790,331**	23,614,231
Payment to Auditors (refer note no. C27)	**1,855,906**	1,610,380
Expenses on Wind Operated Generators	**1,406,567**	2,207,047
Legal and Professional Charges	**11,894,670**	14,311,515
Directors Remuneration	**12,653,538**	11,413,539
Bad Debts written off	**407,116**	1,237,719
Exchange Loss on Foreign Currency Transaction / Translation	**-**	29,728,023
Miscellaneous Expenses	**47,793,292**	56,774,855
	918,490,442	862,289,521

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
C.27 PAYMENT TO AUDITORS		
Particulars		
Audit fees	**750,000**	650,000
For Certification	**400,000**	325,000
For Taxation Matters	**60,000**	60,000
For Tax Audit	**150,000**	125,000
For Other Services	**300,000**	300,000
Service Tax	**195,906**	150,380
	1,855,906	1,610,380
C.28 VALUE OF IMPORTS ON C.I.F. BASIS		
I] Raw materials	**834,311,558**	1,482,293,229
II] Spare part and others	**2,946,784**	3,230,257
III] Capital goods	**NIL**	NIL
IV] Catalyst	**29,755,855**	44,820,957
C.29 EXPENDITURE IN FOREIGN CURRENCY :		
Product registration expenses, travelling and others	**3,904,014**	14,824,629

C.30 IMPORTED AND INDIGENENOUS RAW MATERIAL, COMPONENTS AND SPARES CONSUMED

	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	₹	%	₹	%
Raw Materials				
Imported	**383,973,503**	**5.63**	1,090,856,892	20.07
Indigenous	**6,437,411,006**	**94.37**	4,343,248,015	79.93
	6,821,384,509	**100.00**	5,434,104,907	100.00
Stores and Spares				
Imported	**3,450,040**	**6.79**	1,288,185	3.14
Indigenous	**47,337,168**	**93.21**	39,767,158	96.86
	50,787,208	**100.00**	41,055,343	100.00

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
C.31 EARNINGS IN FOREIGN EXCHANGE ON EXPORT OF GOODS CALCULATED ON FOB BASIS	**1,190,906,474**	866,495,081

C.32 COMMITMENTS AND CONTINGENT LIABILITIES

(A)	Commitments/contingent liabilities		
(i)	Estimated amount of contracts to be executed on capital account and not provided for	**3,791,850**	1,355,000
	Against which advances paid	**NIL**	NIL
(ii)	Guarantees issued by Banks on behalf of Company (since revoked)	**29,451,930**	314,131,200
(iii)	Bond in favor of excise authorities	**160,000**	160,000

(B) Claims against the Company not acknowledged as debts in respect of following items:

(i) The Excise authorities have in their show cause notices questioned the company's claim for Modvat on certain items amounting to ₹ 99,945 (Previous year ₹ 599,945). The company has paid ₹ NIL (Previous Year ₹ 1,350,000) against the same which are shown under the head Advances. The Company does not expect any liability to crystallise on this account.

(ii) 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 ₹ 7,537,505 (Previous year ₹ 7,537,505). The Company has filed a writ petition against these notices in the High Court. The Company does not expect any liability to crystallise on this account.

(iii) The company had received a demand of ₹ 99,363,453 (Previous Year ₹ 99,363,453) from enforcement directorate toward alleged non-submission of bill of entries for imports in earlier years. However, the Company has received letters from the concerned banks as well as Reserve Bank of India accepting that the said omission was not on the part of the Company. The appeal filed by the Company before the appellate tribunal was dismissed on limitation grounds.

The Company thereafter, filed an appeal against the said order of the appellate tribunal as well as a writ petition to quash the proceedings, before the Hon'ble High Court at Bombay. The Hon'ble High Court was of the opinion that the appeal was not maintainable and rejected the same as well as the Writ petition.

Aggrieved by this order, the Company filed a Special Leave Petition before the Hon'ble Supreme Court of India on 15th September, 2008. The said matter was finally heard by the Hon'ble Supreme Court of India on 7th May, 2010 & the order pronounced on 11th April, 2011.

The Hon'ble Supreme Court of India has vide its order dated 11th April, 2011 set aside the order passed by the Foreign Exchange Appellate Tribunal on 25th October, 2007 and the order dated 24th July, 2008 passed by the Hon' ble High Court of Bombay and remitted the appeals back to the Foreign Exchange Appellate Tribunal for fresh consideration in accordance with the law on the basis of findings recorded by them. The Company does not expect any liability to crystalise on this account.

(iv) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹ 134,345,983 (Previous Year ₹ 102,707,853) 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 ₹ 122,191,555 (Previous Year ₹ 59,055,767).

(C) Other Committements:

The company had entered into an agreement with Gujarat Industrial Development Corportation for allotment of land for setting up chemical unit. As per the said agreement , the company within a period of six months from the date of agreement and within a period of two years from the said date build and completely finish it for occupation of building to be used as industrial factory.

D. Disclosure in accordance with Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006.

D 1. Accounting Standard (AS) – 15 on "Employee Benefits" :

i. Defined Contribution Plans :

The Company has recognised the following amounts in the Profits and Loss Account for the year :

Particulars	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
(i) Contribution to Employees' Provident Fund *	**11,988,222**	8,283,967
(ii) Contribution to Employees' State Insurance Fund	**1,935,638**	1,497,194
(iii) Contribution to Employees' Superannuation Fund **	**6,601,867**	4,651,937
Total	**20,525,727**	14,433,098

* ₹ 1,974,707 (Previous Year ₹ 1,310,886) included in Research and Development Expenses and

** ₹ 2,592,000 (Previous Year ₹ 1,448,000) included in Director's remuneration.

ii. Defined Benefit Plans :

(i) Gratuity is payable to all the members at the rate of 15 days salary for each year of service

A. Changes in the Present Value of Obligation in respect of Gratuity Benefits

a)	Obligation at the year beginning	**47,115,901**	41,378,284
b)	Interest Cost	**3,769,272**	3,285,845
c)	Past Service Cost	**Nil**	Nil
d)	Current Service Cost	**3,227,627**	3,303,673
e)	Past Service Cast – Vested Benefit	**Nil**	2,006,779
f)	Current Cost/ (Credit)	**Nil**	Nil
g)	Settlement Cost/ (Credit)	**Nil**	Nil
h)	Benefits Paid	**(4,850,870)**	(1,741,375)
i)	Actuarial (Gain) / Loss	**(966)**	(1,117,305)
j)	Obligation at the year end	**49,260,964**	47,115,901

B. Expenses recognized in the Profit and Loss Statement in respect of Gratuity Benefits

a)	Current Service Cost	**3,227,627**	3,303,673
b)	Past Service Cost	**Nil**	Nil
c)	Interest Cost	**3,769,272**	3,285,845
d)	Past Service Cast – Vested Benefit	**Nil**	2,006,779
e)	Curtailment Cost / (Credit)	**Nil**	Nil
f)	Settlement Cost/ (Credit)	**Nil**	Nil
g)	Net Actuarial (Gain)/ Loss	**(966)**	(1,117,305)
h)	Employees' Contribution	**Nil**	Nil
i)	Total Expenses recognized in Profit and Loss Statement	**6,995,933**	7,478,992

		₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
C.	**Following are the Principal Actuarial Assumptions used as at the Balance Sheet date :**		
	Particulars	Gratuity	Gratuity
a)	Discount Rate	8.50%	8%
b)	Salary Escalation Rate – Management Staff	7%	7%
c)	Turnover Rate	10%	10%
d)	Mortality Table	LIC 1994-96 ultimate	LIC 1994-96 ultimate

D. Other Long Term benefits

The Company's Long Term benefit includes Leave encashment payable at the time of retirement in full, other wise it is encashable during the year in which services are rendered subject to in excess of 30 days.

Changes in the Present Value of Obligation in respect of leave encashments

a)	Obligation at the year beginning	11,201,923	10,576,222
b)	Actuarial (Gain) / Loss	5,488,805	625,701
c)	Obligation at the year end	16,690,728	11,201,923

D 2. Accounting Standard (AS-17) "Segment Reporting" :

As permitted by paragraph 4 of Accounting Standard 17, "Segment Reporting" notified by the Companies (Accounting Standards) Rules, 2006, the company has disclosed Segment results on the basis of Consolidated Financial Statements. The same are therefore not disclosed for standalone financial statements.

D 3. Accounting Standard (AS-18) "Related Party Disclosures " :

Subsidiary Companies:

- Tarderiv International Pte Ltd (subsidiary company) (TIPL) (w.e.f 28th December, 2010)
- Cheminvest Pte Ltd (Step down subsidiary) (CPL) (w.e.f 28th December, 2010)
- Optimistic Organic Sdn Bhd (Step down subsidiary)(OOSB) (w.e.f 28th December, 2010)

Entities in which the company has substantial interest (i.e. more than 20% in voting power directly or indirectly)

Ultramarine and Pigments Ltd. (UPL)

Thirumalai Charity Trust (TCT)

Managing Directors

Mr. S.Sridhar (upto 6th January, 2012)

Mr. R.Parthasarathy

Key Management Personnel

Mr.Dhanpat Raj Dhariwal (CEO) (from 8th July, 2011)

Mr.S.V.S.Ramaraju (upto 31st January, 2011)

Relatives of Directors

Ms. V. Jaya

Ms. Ramya Bharathram

Mr. S.Varadharajan (from 1st March, 2011)

Mr. S. Narayan (from 1st April, 2011)

Details of transactions with above parties

Particulars	Companies in which the company has substantial interest		Directors of the Company and their relatives		Total	
	2011-2012	2010-2011	**2011 – 2012**	2010-2011	**2011 – 2012**	2010-2011
	(A)	**(B)**	**(C)**	**(D)**	**E = (A) + (C)**	**F = (B) + (D)**
	₹	₹	**₹**	₹	**₹**	₹
Managing Directors Remuneration						
Mr. S. Sridhar	**-**	-	**5,749,846**	5,706,770	**5,749,846**	5,706,770
Mr. R. Parthasarathy	**-**	-	**6,903,692**	5,706,769	**6,903,692**	5,706,769
	-	-	**12,653,538**	11,413,539	**12,653,538**	11,413,539
Purchase of Goods						
Optimistic Organic Sdn Bhd	**382,079,858**	-	**-**	-	**382,079,858**	-
Ultramarine and Pigments Ltd	**32,698**	333,409	**-**	-	**32,698**	333,409
	382,112,556	333,409	**-**	-	**382,112,556**	333,409
Sale of Goods						
Optimistic Organic Sdn Bhd	**29,230,792**	-	**-**	-	**29,230,792**	-
Ultramarine and Pigments Ltd	**-**	23,516	**-**	-	**-**	23,516
TCL Industries (Malaysia) Sdn Bhd	**-**	21,913,966	**-**	-	**-**	21,913,966
	29,230,792	21,937,482	**-**	-	**29,230,792**	21,937,482
Assignment of Insurance Policy						
Mr.S.Sridhar	**-**	-	**7,681,644**	-	**7,681,644**	-
Mr.R.Parthasarathy	**-**	-	**7,681,644**	-	**7,681,644**	-
	-	-	**15,363,288**	-	**15,363,288**	-
Expenses Recharged by Company						
Ultramarine and Pigments Ltd	**4,290,196**	2,920,049	**-**	-	**4,290,196**	2,920,049
Optimistic Organic Sdn Bhd	**305,734**	-	**-**	-	**305,734**	-
	4,595,930	2,920,049	**-**	-	**4,595,930**	2,920,049

Details of transactions with above parties

Particulars	Companies in which the company has substantial interest		Directors of the Company and their relatives		Total	
	2011-2012	2010-2011	**2011 – 2012**	2010-2011	**2011 – 2012**	2010-2011
	(A)	**(B)**	**(C)**	**(D)**	**E = (A) + (C)**	**F = (B) + (D)**
	₹	₹	**₹**	₹	**₹**	₹
Expenses Recharged to Company						
Ultramarine and Pigments Ltd	**132,571**	37,559	**-**	-	**132,571**	37,559
	132,571	37,559	**-**	-	**132,571**	37,559
Rendering of Services						
Ultramarine and Pigments Ltd	**88,462**	354,417	**-**	-	**88,462**	354,417
MR. R. Parthasarathy	**-**	-	**12,000**	12,000	**12,000**	12,000
	88,462	354,417	**12,000**	12,000	**100,462**	366,417
Receiving of Services						
Thirumalai Charity Trust	**84,520**	179,396	**-**	-	**84,520**	179,396
	84,520	179,396	**-**	-	**84,520**	179,396
Outstanding Payables						
Optimistic Organic Sdn Bhd	**127,353,134**	-	**-**	-	**127,353,134**	-
Ultramarine and Pigments Ltd	**2,632**	115,891	**-**	-	**2,632**	115,891
Mr. S. Sridhar	**-**	-	**2,333,741**	-	**2,333,741**	-
	127,355,766	115,891	**2,333,741**	-	**129,689,507**	115,891
Outstanding Receivables						
Ultramarine and Pigments Ltd	**1,651,713**	609,202	**-**	-	**1,651,713**	609,202
Optimistic Organic Sdn Bhd	**434,082,372**	371,706,338	**-**	-	**434,082,372**	371,706,338
TCL Industries (Malaysia) Sdn Bhd	**-**	1,675,722	**-**	-	**-**	1,675,722
Tarderiv International Pte. Ltd	**105,754,893**	-	**-**	-	**105,754,893**	-
Mr. R. Parthasarathy	**-**	-	**7,681,644**	768,000	**7,681,644**	768,000
Mr. S. Sridhar	**-**	-	**-**	768,000	**-**	768,000
	541,488,978	373,991,262	**7,681,644**	1,536,000	**549,170,622**	375,527,262
Deposits Taken						
Ultramarine and Pigments Ltd	**131,149,352**	211,287,864	**-**	-	**131,149,352**	211,287,864
Directors and Relative of Directors	**-**	-	**26,950,000**	26,857,000	**26,950,000**	26,857,000
	131,149,352	211,287,864	**26,950,000**	26,857,000	**158,099,352**	238,144,864

Details of transactions with above parties

Particulars	Companies in which the company has substantial interest		Directors of the Company and their relatives		Total	
	2011-2012	2010-2011	**2011 – 2012**	2010-2011	**2011 – 2012**	2010-2011
	(A)	**(B)**	**(C)**	**(D)**	**E = (A) + (C)**	**F = (B) + (D)**
	₹	₹	**₹**	₹	**₹**	₹
Interest expenses on deposits taken						
Ultramarine and Pigments Ltd	**5,814,660**	10,821,828	**-**	-	**5,814,660**	10,821,828
Directors and Relative of Directors	**-**	-	**7,364,261**	6,768,719	**7,364,261**	6,768,719
	5,814,660	10,821,828	**7,364,261**	6,768,719	**13,178,921**	17,590,547
Deposits paid						
Ultramarine and Pigments Ltd	**131,149,352**	211,287,864	**-**	-	**131,149,352**	211,287,864
Directors and Relative of Directors	**-**	-	**62,822,000**	5,522,000	**62,822,000**	5,522,000
	131,149,352	211,287,864	**62,822,000**	5,522,000	**193,971,352**	216,809,864
Interest Income on loan given						
Tarderiv International Pte. Ltd.	**4,034,893**	-	**-**	-	**4,034,893**	-
	4,034,893	-	**-**	-	**4,034,893**	-
Outstanding deposits payable						
Ultramarine and Pigments Ltd	**1,400,000**	1,400,000	**-**	-	**1,400,000**	1,400,000
Directors and Relative of Directors	**-**	-	**41,050,000**	76,422,000	**41,050,000**	76,422,000
	1,400,000	1,400,000	**41,050,000**	76,422,000	**42,450,000**	77,822,000
Investments in Equity shares						
NIL (500,000) shares of USD 1 each in Tarderiv International Pte. Ltd.	**-**	22,480,000	**-**	-	**-**	22,480,000
	-	22,480,000	**-**	-	**-**	22,480,000
Investments in Preference shares						
1,000,000 (4,500,000) shares of USD 1 each in Tarderiv International Pte. Ltd.	**45,789,450**	202,320,000	**-**	-	**45,789,450**	202,320,000
	45,789,450	202,320,000	**-**	-	**45,789,450**	202,320,000

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
Remuneration paid to Key Management Personnel		
Mr. S. V. S. Ramaraju	**-**	3,228,890
Mr. Dhanpat Raj Dhariwal	**7,231,516**	-
	7,231,516	3,228,890
Remuneration paid to Relatives of Directors		
Mrs. V. Jaya (up to 30 September 2011)	**438,292**	401,493
Mrs. Ramya Bharathram	**1,330,412**	236,261
Mr. S. Vardharajan (from 1st March 2011)	**1,286,309**	49,996
Mr. S. Narayan	**1,286,309**	
	4,341,322	687,750

D 4. Accounting Standard (AS-19) "Accounting for Leases" :

a) During the year the company has taken office premises/residential premises under cancelable lease. Lease rent accounted in profit and loss account ₹ 1,200,969 (Previous Year ₹ 1,005,075). The said lease is cancelable at the option of the lessee at three months notice. The deposit paid in respect of the same is ₹ 419,255 (Previous Year ₹ 396,560).

b) The Company has given office premises on lease to a Company under the same management under cancelable lease arrangement for a period of five years. The lease arrangement can be cancelled at the option of lesser or lessee either giving two months notice. The Company has taken interest free security deposit of ₹ 1,400,000 (Previous Year ₹ 1,400,000) Lease rent received during the year and accounted as income is ₹ 3,369,470 (Previous Year ₹ 2,638,340).

c) The company has entered into a agreement with Gujarat Industrial Development Corportation for allotment of land (leasehold). After complying with conditions related to erection of factory building and works, a lease agreement will be entered for a term of 99 years.

D 5. Accounting Standard (AS-20) "Earnings per share" :

The Basic and Diluted EPS is calculated as under:

Particulars		
Profit attributable to Equity Shareholders (₹)	**47,806,741**	185,511,786
No. of equity shares (of ₹ 10 each)	**10,238,812**	10,238,812
Earnings Per Share	**4.67**	18.12

E. OTHER DISCLOSURES:

E 1. Fixed asset / capital work in progress includes the following

	Upto 31.03.2011	During 2011-12	**Upto 31.03.2012**
Salaries and wages	10,172,389	-	**10,172,389**
Power and fuel	529,000	-	**529,000**
Stores and spares	12,640,900	8,476,321	**21,117,221**
Interest	3,673,368	-	**3,673,368**
Travelling	737,405	-	**737,405**

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
E 2. The Company has spent towards Research and Development expenses during the year of which are as under		
Particulars		
Capital	**2,519,179**	105,000
Revenue (including Salaries ₹13,161,153 (Previous Year ₹ 14,747,529)	**20,790,331**	23,614,231
Total	**23,309,510**	23,719,231

E 3. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Sundry Creditors include dues to micro and small enterprises to which the company owes amounts. The above 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:

		2011-2012	2010 – 2011
a.	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	**2,104,221**	707,615
b.	The amount of interest paid by the buyer in the terms of Sec.16 of the Micro, Small and Medium Enterprises Development Act,2006 along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	**NIL**	NIL
c.	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
d.	The amount of interest due accrued and remaining unpaid at the end of each accounting year.	**679,027**	654,423
e.	The amount of 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 deductible expenditure u/s 23 of Micro, Small, Medium Enterprises Development Act, 2006.	**24,604**	2,350

E 4. Disclosures as required under clause 32 of the listing agreement

Loans and Advances Include amount receivable from subsidiaries

Particulars	**2011-2012**	2010 – 2011
Optimistic Organic Sdn Bhd	**425,500,456**	371,706,337
Maximum amount due at any time during the year	**441,898,036**	371,706,337
Tarderiv International Pte Ltd	**101,720,000**	NIL
Maximum amount due at any time during the year	**105,640,000**	NIL

E 5. Foreign exchange derivatives and exposures outstanding at the close of the year :

Open foreign exchange exposures:

Particulars	2011-2012		2010-2011	
	Foreign Currency	**Amount in ₹**	Foreign Currency	Amount in ₹
Accounts Receivable	**USD 21,133,706**	**1,074,860,316**	USD 15,223,833	676,571,066
			EURO 9,750	609,375
Accounts Payable *	**USD 6,996,700**	**359,080,545**	USD 21,839,867	987,320,323
	EURO 440,057	**30,245,113**	EURO 549,619	34,939,270

*Forward contracts outstanding at year end for hedging payables NIL (Previous Year: (USD) 10,917,583)

E 6. Long Term loans and advances

Loans and advances (to subsidiary companies) includes an amount of ₹ 425,500,435 (USD 8,366,112) {Previous year ₹ 371,706,337 (USD 8,366,112)} recoverable from Optimistic Organic Sdn. Bhd. (OOSB) . This amount represents amount recoverable by the company from erstwhile TCL Industries (Malaysia) Sdn Bhd (TCL (M)). The liablity was taken over by OOSB on winding up of TCL (M).

The Company believes that the above amounts recognized by OOSB would be ultimately recoverable.

E 7. Previous Year's Figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classsification/ disclosure.

As per our report of even date
For & on behalf of

CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS

H. V. KISHNADWALA
PARTNER

MUMBAI, 24TH MAY, 2012

For and on behalf of the Board of Directors

R. PARTHASARATHY
MANAGING DIRECTOR

ATUL AGARWAL
DIRECTOR

R. SAMPATH
DIRECTOR

T. RAJAGOPALAN
COMPANY SECRETARY

STATEMENT PURSUANT TO GENERAL EXEMPTION UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED ON 31st MARCH, 2012

(₹ in Lakhs)

S.No	Name of Subsidary Company	Reporting Currency	Exchange rate	Capital	Reserve	Total Liabilities	Investment Other than Investment in Subsidary	Turnover	Profit/ (Loss) before Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
1	Tarderiv Internaional Pte. Ltd	USD	51.15	2,706	117	1,073	-	146	103	94	-
2	Cheminvest Pte. Ltd	USD	51.15	206	(58)	4,925	-	112	(62)	(62)	-
3	Optimistic Organic Sdn. Bhd.	RM	14.50	1,403	3,276	13,124	-	18,731	576	654	-

AUDITORS' REPORT ON CONSOLIDALED FINANCIAL STATEMENTS

To The Board of Directors of

Thirumalai Chemicals Limited

1. We have audited the attached consolidated Balance Sheet of Thirumalai Chemicals Limited (the Company) and its subsidiaries (collectively referred to as the 'Group') as at March 31, 2012, the consolidated Profit and Loss Statement and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of three (3) subsidiaries, and have relied on audited consolidated financial statements of subsidiaries whose financial statements reflect total assets of ₹ 1,046,276,513; total revenue of ₹ 1,458,089,945; and net cash flow of ₹ 60,922,319 as at 31st March, 2012. These financial statements have been audited by other auditors. Accordingly, our assurance on the statement in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of such other auditors which have been furnished to us.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified by the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit read together with our remark in paragraph 3 above, and to the best of our information and according to the explanations given to us, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   a. in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;

   b. In the case of the consolidated Profit and Loss Statement, of the profit of the Group for the year ended on that date: and

   c. in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For and on behalf of
Contractor, Nayak & Kishnadwala
Chartered Accountants
Firm Registration Number: 101961W

H. V. Kishnadwala
Partner,
Membership No 37391

Mumbai, 24th May, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	₹ As at 31st March, 2012	₹ As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) **Shareholders Funds**			
(a) Share Capital	C.1	**102,410,620**	102,410,620
(b) Reserves and Surplus	C.2	**1,438,677,782**	1,100,539,167
(2) **Minority Interest**		**-**	108,495,723
		1,541,088,402	1,311,445,510
(3) **Non-Current Liabilities**			
(a) Long-Term Borrowings	C.3	**1,424,704,656**	326,199,010
(b) Deferred Tax Liabilities (net)	C.4	**184,372,263**	208,739,005
(c) Long-Term Provisions	C.5	**37,459,816**	32,905,195
		1,646,536,735	567,843,210
(4) **Current liabilities**			
(a) Short-Term Borrowings	C.6	**949,733,865**	990,005,287
(b) Trade Payables	C.7	**2,666,574,132**	1,948,333,571
(c) Other Current Liabilities	C.8	**725,089,135**	1,218,771,346
(d) Short-Term Provisions	C.9	**31,566,789**	25,412,629
		4,372,963,921	4,182,522,833
TOTAL		**7,560,589,058**	6,061,811,553
II. ASSETS			
(1) **Non-Current Assets**			
(a) Fixed Assets			
(i) Tangible Assets	C.10	**2,566,979,643**	2,424,820,919
(ii) Capital Work-in-Progress		**27,007,815**	30,516,079
(b) Non-Current Investments	C.11	**54,579,855**	54,579,855
(c) Long-Term Loans and Advances	C.12	**89,339,594**	7,086,129
(d) Other Non-Current Assets	C.13	**216,908,556**	203,061,986
		2,954,815,463	2,720,064,968
(2) **Current assets**			
(a) Inventories	C.14	**1,594,824,133**	1,114,175,816
(b) Trade Receivables	C.15	**2,553,789,100**	1,909,014,746
(c) Cash and Cash Equivalents	C.16	**182,619,556**	18,128,731
(d) Short-Term Loans and Advances	C.17	**1,160,008**	685,200
(e) Other Current Assets	C.18	**273,380,798**	299,742,092
		4,605,773,595	3,341,746,585
TOTAL		**7,560,589,058**	6,061,811,553
Significant Accounting Policies	B		
Notes to Financial Statements	A, C, D & E		

As per our report of even date
For & on behalf of

CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS

H. V. KISHNADWALA
PARTNER

MUMBAI, 24TH MAY, 2012

For and on behalf of the Board of Directors

R. PARTHASARATHY
MANAGING DIRECTOR

ATUL AGARWAL
DIRECTOR

R. SAMPATH
DIRECTOR

T. RAJAGOPALAN
COMPANY SECRETARY

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Particulars	Note No.	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
I	Revenue from Operations	C.19	**10,515,821,984**	7,644,428,730
II	Other Income	C.20	**55,232,348**	67,601,903
III	**Total Revenue (I + II)**		**10,571,054,332**	7,712,030,633
IV	Expenses			
	Cost of Materials Consumed	C.21	**8,383,952,661**	5,434,104,908
	Purchase of Stock in Trade	C.22	**243,816,878**	565,307,981
	Changes in Stock	C.23	**(292,719,782)**	(3,317,547)
	Employee Benefits Expense	C.24	**275,072,849**	147,654,939
	Finance Costs	C.25	**526,057,933**	308,525,600
	Depreciation and Amortization	C.10	**226,039,139**	147,152,199
	Other Expenses	C.26	**1,188,552,498**	864,403,629
	Total Expenses		**10,550,772,177**	7,463,831,709
V	**Profit Before Tax**		**20,282,156**	248,198,924
VI	**Tax Expenses**			
	Current Tax		**(35,447,249)**	(51,130,000)
	MAT Credit Entitlement		**-**	48,176,593
	Deferred Tax		**24,366,742**	(70,990,059)
	Adjustment for earlier years		**(20,000)**	(4,148,313)
VII	Share of Minority		**-**	9,338,897
VIII	**Profit for the year**		**9,181,649**	179,446,042
IX	**Earnings per equity share - Par value ₹ 10 per share**			
	Basic and Diluted		**0.89**	**17.53**
	Significant Accounting Policies	B		
	Notes to Financial Statements	A, C, D & E		

As per our report of even date
For & on behalf of

CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS

H. V. KISHNADWALA
PARTNER

MUMBAI, 24TH MAY, 2012

For and on behalf of the Board of Directors

R. PARTHASARATHY
MANAGING DIRECTOR

ATUL AGARWAL
DIRECTOR

R. SAMPATH
DIRECTOR

T. RAJAGOPALAN
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

Particulars		₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
(A) Cash Flow From Operating Activites			
Net profit before tax and extraordinary items		**20,282,156**	248,198,924
Adjustments for			
Depreciation		**226,039,139**	153,793,435
Finance Costs		**526,057,933**	308,525,600
Interest Income		**(1,830,003)**	(30,360,538)
Dividend Received		**(9,192,800)**	(9,177,387)
Foreign Currency Translation Reserve		**-**	-
Loss/(Profit) on Sale of Assets		**(19,194)**	(17,785)
		741,055,075	422,763,326
Operating Profit before Working Capital Changes		**761,337,231**	670,962,250
Adjustments for			
Share of Minority		**-**	9,338,897
(Increase) / decrease in Trade and Other Receivables		**(701,838,384)**	181,311,067
(Increase) / decrease in Inventories		**(480,648,316)**	(203,076,736)
Increase / (decrease) in Trade and Other Payables		**332,731,726**	680,154,579
		(849,754,975)	667,727,807
Cash Generated From Operations		**(88,417,744)**	1,338,690,057
Interest paid		**(352,842,306)**	(245,573,470)
Direct Tax paid		**(48,616,768)**	(34,717,620)
Deferred Tax		**24,366,742**	(70,990,059)
		(377,092,332)	(351,281,149)
Net Cash Inflow / (Outflow) From Operations	**(a)**	**(465,510,076)**	987,408,907
(B) Cash Flow From Investment Activities			
Sale of Fixed Assets		**147,854**	554,000
Purchase of Fixed Assets and Capital Work in Progress		**(364,818,259)**	(1,498,597,626)
Interest Received		**1,830,003**	30,360,538
Sale/ (Purchase) of Investments (net)		**-**	7,699
Dividend Received		**9,192,800**	9,177,387
Capital Reserve on Consolidation		**211,391,128**	145,552,240
Minority Interest Acquired		**(108,495,723)**	-
Foreign Currency Translation Reserve		**117,565,838**	9,416,041
Net Cash Inflow / (Outflow) From Investing Activities	**(b)**	**(133,186,359)**	(1,303,529,721)
(C) Cash Flow From Finance Activities			
Proceeds from Long Term Borrowings		**1,361,461,299**	1,909,372,053
Repayment of Long Term Borrowings		**(384,786,989)**	(1,613,667,261)
Short Term Borrowings (net)		**(40,271,422)**	120,493,921
Interest on Borrowings		**(173,215,627)**	(62,232,189)
Dividend paid (including dividend distribution tax)		**-**	(59,696,753)
Net Cash Inflow / (Outflow) From Financing Activities	**(c)**	**763,187,261**	294,269,771
Net Increase / (Decrease) in Cash or Cash Equivalents (A)+(B)+(C)	**(a+b+c)**	**164,490,826**	(21,851,044)
CASH AND CASH EQUIVALENTS - (OPENING)			
- Cash and Bank balance		**18,128,731**	39,979,775
CASH AND CASH EQUIVALENTS - (CLOSING)			
- Cash and Bank balance		**182,619,557**	18,128,731
TOTAL		**164,490,826**	(21,851,044)

NOTE:

1. Cash and cash equivalents includes ₹ 59,756,557 (Previous Year ₹ 4,522,342) on account of fixed deposits, margin money, unclaimed dividend and unpaid interest, which are not available for use by the Company.
2. Figures in the brackets represents cash outflows.
3. Previous year figures have been regrouped wherever necessary to conform to the current year's classification.

\# This includes non-cash transaction of ₹ 195,812,496 (Previous Year ₹ 821,431,950) for acquisition of assets assuming directly related liabilities.

As per our report of even date
For & on behalf of

CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS

H. V. KISHNADWALA
PARTNER

MUMBAI, 24TH MAY, 2012

For and on behalf of the Board of Directors

R. PARTHASARATHY
MANAGING DIRECTOR

ATUL AGARWAL
DIRECTOR

R. SAMPATH
DIRECTOR

T. RAJAGOPALAN
COMPANY SECRETARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

A. CORPORATE INFORMATION

Thirumalai Chemicals Limited is a public limited company domiciled in India incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in manufacturing and selling chemicals. The company caters to both domestic and international markets.

B.1. BASIS OF CONSOLIDATION

The Consolidated Financial Statement (CFS) relate to Thirumalai Chemicals Limited (the Company) and its subsidiary companies. The companies and its subsidiaries constitute the group.

(I) BASIS OF ACCOUNTING

(a) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the company i.e.31st March, 2012. The same is based on the audited financial results up to 31st March, 2012 of the respective subsidiary companies.

(b) The financial statements of the group have been 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 (AS) 21- "Consolidated Financial Statements" as notified by the Companies (Accounting Standards) Rules, 2006.

(II) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements have been prepared on the following basis:

(a) The financial statements of the company and its subsidiary companies have been combined on a line-by–line basis by adding together book values of similar items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated.

(b) Consolidated financial statements are prepared by applying uniform accounting policies to the extent possible, in use at the group.

(c) 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 translation of those currencies in to Indian rupee is performed for assets and liabilities, using the exchange date as at the Balance sheet date and for revenues, cost and expenses using average exchange rate during the reporting period. Resultant currency translation, exchange gain / loss is carried as 'Foreign Currency Translation Reserve' under "Reserves and Surplus".

(d) Goodwill / Capital Reserve:The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised 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.

(e) The Consolidated Financial Statements include the financial statements of Thirumalai Chemicals Limited (Parent Company) and its subsidiaries

Name of Subsidiary Companies	Country of Incorporation	% of holding either directly or through subsidiary as at 31st March, 2012	% of holding either directly or through subsidiary as at 31st March, 2011
Tarderiv International Pte Ltd.	Singapore	100	100
Cheminvest Pte Ltd.	Singapore	100	60
Optimistic Organic Sdn Bhd. (OOSB)	Malaysia	100	60

B.2. SIGNIFICANT ACCOUNTING POLICIES

I BASIS OF ACCOUNTING:

The financial statements are prepared in conformity with Generally Accepted Accounting Principles in India, the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the other relevant provisions of the Companies Act, 1956. The Accounts have been prepared on the basis of historical cost. The Company follows the mercantile system of accounting for recognising income and expenditure on accrual basis.

II USE OF ESTIMATES:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual and estimates are recognised in the period in which the results are known/ materialised.

III REVENUE RECOGNITION:

a} Sale of goods are recognised when risk and rewards of ownership of the products are passed on to the customers which is generally on despatch of goods. Service revenue is recognised as per terms of contract. Sales include amounts recovered towards Excise Duty, and are net of returns.

b} Revenue from sale of power from wind operated generators is accounted when the same is transmitted / confirmed by the Electricity Board.

c} Revenue from letting out of storage facilities are accounted on accrual basis.

d} Duty free imports of raw materials under Advance Licence for imports as per the Import and Export Policy are matched with the exports made against the said licences and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption. The benefits accrued under the Duty Drawback and Duty Entitlement Pass Book Benefits as per the Import and Export Policy in respect of exports made under the said scheme have been included under the head 'Duty Drawback and Duty Entitlement Pass Book Benefits'.

e} Revenue from sale of scrap is recognised as and when scrap is sold.

f} Revenue from interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

g} Revenue from dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

IV FIXED ASSETS:

Tangible Assets:

Fixed Assets are recorded at cost of acquisition or construction / erection including taxes, duties, freight and other incidental expenses related to acquisition and installation. Interest incurred during construction period on borrowings to finance qualifying fixed assets is capitalised. Fixed Assets which are not in active use are scrapped and written off.

V DEPRECIATION:

Depreciation on Plant and Machinery and Building is provided on Straight Line method except on Maleic Anhydride plant and all assets of CMC division, which has been provided on Written Down Value method. The rates at which depreciation is provided as above, are as prescribed by Schedule XIV to the Companies Act, 1956 and in terms of relevant circulars issued by the Department of Company Affairs.In case of Optimistic Organic Sdn Bhd. (OOSB) depreciation is computed on a straight-line basis over the assets estimated economic useful life.

VI INVESTMENTS:

Investments which are all long-term are stated at cost of acquisition and related expenses. Provision is made for any diminution, other than temporary, in the value of investments.

VII INVENTORIES:

Items of Inventory are valued on the principle laid down by Accounting Standard 2 on "Valuation of Inventories" on the basis given below

(a)	Stores and Spare Parts	At cost (on weighted average basis) including incidental expenses like freight, transport etc. or net realisable value whichever is lower.
(b)	Raw Materials	At cost (on weighted average basis) including incidental expenses like freight, transport etc. or net realisable value whichever is lower.
(c)	Work-in-Progress	At raw material cost plus proportionate fixed and variable manufacturing expenses or net realisable value whichever is lower.
(d)	Finished Goods	At Cost or net realisable value whichever is lower. Cost is calculated at raw Material cost plus all fixed and variable manufacturing expenses. Excise duty is also included in valuation.
(e)	Catalyst	Cost of Catalyst is expensed over its estimated useful life.

In case of Optimistic Organic Sdn Bhd. (OOSB), inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in-first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned 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 the estimated costs necessary to make the sale.

VIII EMPLOYEE BENEFITS :

1. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentive paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund and superannuation etc. recognised as actual amounts due in period in which the employee renders the related services.

2. Post-employment benefits

a. Defined contribution plan

Payment made to defined contribution plans such as Provident is charged as expenses as they fall due.

b. Defined Benefit Plans

The cost of providing benefits i.e. gratuity is determined using the projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

3. Other Long – term employee benefits

Other Long term employee benefit is recognised as an expenses in the profit and loss account as and when it accrues. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuation carried out as at the balance sheet date. The actuarial gains and losses in respect of such benefit are charged to the profit and loss account.

IX FOREIGN CURRENCY TRANSLATION:

a} Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction.

b} Monetary items denominated in foreign currency at the year end are translated at year end rates. In respect of Monetary items which are covered by foreign exchange contracts, the difference between the year end rates and the rate on the date of contract is recognised as exchange difference and the premium on such forward contracts is recognised over the life of the forward contract. The exchange differences arising on settlement / translation are recognised in the Profit and Loss Statement.

c} Exchange differences arising on long term foreign currency loans given to non-integral foreign subsidiaries is accumulated in Foreign Currency Translation Reserve and reversed to profit and loss statement as and when the loans are repaid/ settled.

X BORROWING COSTS:

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised 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 recognised as an expense in the period in which they are incurred.

XI LEASE RENTALS:

Lease rentals paid in respect of assets taken on lease are charged to revenue over the estimated life of the assets.

XII TAXATION:

Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period.

Deferred tax is recognised, subject to the consideration of prudence, on timing difference being differences between taxable incomes and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods.

XIII PROVISIONS, CONTINGENT LIABILITES AND CONTINGENT ASSETS

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liabilities 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 recognised in the financial statements, since this may result in recognition of income that may never be realised.

XIV CASH AND CASH EQUIVALENTS

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ As at 31st March, 2012	₹ As at 31st March, 2011
C.1 SHARE CAPITAL		
Authorised		
15,000,000 (15,000,000) Equity shares of ₹ 10/- each	**150,000,000**	150,000,000
10,000,000 (10,000,000) Unclassified shares of ₹ 10/- each	**100,000,000**	100,000,000
	250,000,000	250,000,000
Issued		
10,242,812 (10,242,812) Equity shares of ₹ 10/- each	**102,428,120**	102,428,120
Subscribed and fully paidup		
10,238,812 (10,238,812) Equity Shares of ₹ 10/- each	**102,388,120**	102,388,120
Add: Amount paid up on forfeited shares	**22,500**	22,500
	102,410,620	102,410,620

(a) The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. 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.

(b) Details of shareholder holding more than 5% shares

	As at 31st March, 2012		As at 31st March, 2011	
Name of the Entity	**No. of Shares**	**% of holding**	No. of Shares	% of holding
Ultramarine & Pigments Limited	**2,045,177**	**19.97**	2,045,177	19.97
Jasmine Limited	**655,005**	**6.40**	655,005	6.40

(c) The Company has forfeited 4,000 (4,000) equity shares on which amount originally paid up is ₹ 22,500.

(d) The is no change in Issued and Subscribed share capital during the year.

C.2 RESERVES AND SURPLUS		
Securities Premium Account		
Balance as per last Balance Sheet	**197,069,526**	197,069,526
Capital Reserve on Acquisition/Consolidation	**356,943,369**	145,552,240
General Reserve		
Balance as per last Balance Sheet	**398,252,062**	398,252,062
Foreign Currency Translation Reserve	**63,414,668**	-
Foreign Currency Translation Reserve (on consolidation)	**63,567,211**	9,416,041
Surplus		
Balance as per last Balance Sheet	**350,249,297**	170,803,256
Profit for the year transferred from Profit and Loss statement	**9,181,649**	179,446,042
Balance at the end of the year	**359,430,946**	350,249,298
Total	**1,438,677,782**	1,100,539,167

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

C.3 LONG TERM BORROWINGS	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Term Loans (Secured)		
From Banks		
(a) Bank of India (refer note I.a below)	**210,000,000**	-
From Institutions		
(a) Export Import Bank of India Overseas Investment Finance Loan (refer note I.b below)	**166,725,000**	-
(b) Export Import Bank of India Bank Long Term Working Capital Demand Loan (refer note I.c below)	**260,000,000**	-
(c) Export Import Bank of India Production Equipment Loan (refer note I.d below)	**-**	24,375,000
(d) Export Import Bank of India Export Oriented Unit Loan (refer note I.e below)	**41,180,954**	82,361,906
	677,905,954	106,736,906
Deferred Payment Liabilities (Unsecured)		
Gujarat Industrial Development Corporation (refer note II .a below)	**22,059,341**	-
Deferral of Sales Tax Liabilities (refer note II.b below)	**99,407,062**	132,508,104
Deposits (Unsecured)		
Fixed Deposits	**89,071,000**	86,954,000
Others	**536,261,299**	-
	1,424,704,656	326,199,010

I. In respect of term loans from banks and financial institutions, terms of repayments and nature of security are given below:

a. Term loan from Bank of India, is repayble in equal 30 monthly instalments starting from July 2012 up to December 2014.The loan is secured by way of second charge (on pari passu basis) over the immovable properties of the Company.

b. Export Import Bank of India Overseas Investment Finance loan is repayable in 16 equal quarterly instalments starting from July 2012 up to April 2016. The loan is secured by First Pari Passu charge on Movable fixed assets and immovable assets at Ranipet.

c. Export Import Bank of India Working Capital Demand Loan is repayable in 16 equal quarterly instalments starting from July 2012 up to April 2016. The loan is secured by First Pari Passu charge on Movable fixed assets and immovable assets at Ranipet.

d. Export Import Bank of India Production Equipment Loan is repayable in 16 equal quarterly instalments starting from Jan 2009 up to Decembr 2012. The loan is secured by exclusive charge on Wind Mill.

e. Export Import Bank of India EOU Loan is repayable in 21 equal quarterly instalments starting from March 2009 upto March 2014. The loan is secured by First Pari Passu charge on Movable fixed assets and immovable assets at Ranipet.

f. The interest rates in the case of the above term loans vary from 5% per annum to 15.50% per annum.

II. Deferred Payment Liabilities

a. Amounts due to Gujarat Industrial Develoment Corporation represents amount payable for acquiring lease hold land for industrial project. This loan is repayable in 12 equal quarterly instalments commencing from June 2011 to March 2014.

b. Deferral of sales tax liabilities represent interest free deferred sales tax loan received from Government of Tamilnadu, repayable up to 2017-18 based on the deferment availed in the respective years.An amount of ₹ 379,047 only has been guaranteed by Shri R.Parathasarathy, Managing Director of the company for the Deferred Sales Tax liabilities In case of default in repayment of 'Deferred sales tax liabilities' the movable and immovable properties of the company are liable to be attached / proceeded towards the realisation of outstanding Government loan under Revenue Recovery Act.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ As at 31st March, 2012	₹ As at 31st March, 2011
C.4 DEFERRED TAX LIABILITY (NET)		
Nature of timing difference		
Deferred Tax Liability		
Depreciation	**202,675,252**	229,110,962
Total	**202,675,252**	229,110,962
Deferred Tax Assets		
Disallowances under Income Tax Act, 1961	**18,302,989**	20,371,956
Total	**18,302,989**	20,371,956
Deferred Tax Liability (Net)	**184,372,263**	208,739,006
C.5 LONG TERM PROVISION		
Provision for Gratuity (non funded)	**27,956,967**	27,607,097
Provision for Compensated Absences (non funded)	**9,502,849**	5,298,098
	37,459,816	32,905,195
C.6 SHORT TERM BORROWINGS		
(a) Loan payable on Demand (Secured)		
From Banks		
Working Capital Demand Loan	**258,522,367**	326,843,823
Cash Credit/Export Credit Accounts	**83,281,337**	263,808,545
Bills Purchased and Discounted	**9,194,729**	53,313,678
(b) Other Loans and Advances		
Export Import Bank of India Pre/Post Shipment (Secured)	**598,735,432**	346,039,241
	949,733,865	990,005,287

Working Capital Demand Loan/Cash credit/Export accounts and Bills purchases and 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.

Export Import Bank of India Pre/post shipment is 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ As at 31st March, 2012	₹ As at 31st March, 2011
C.7 TRADE PAYABLES		
Acceptances	**2,443,093,283**	1,343,444,610
Trade Payables	**223,480,849**	604,888,961
	2,666,574,132	1,948,333,571
C.8 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt	**388,495,833**	510,327,169
Book Overdraft with Banks	**2,813,774**	2,526,547
Unclaimed Dividend (refer note below)	**3,484,807**	4,002,988
Unclaimed Matured Deposits and Interest Accrued thereon (refer note below)	**457,337**	739,091
Deposits from Service Providers	**5,706,633**	6,277,830
Interest Accrued but not due on Loans	**7,695,153**	7,276,593
Payable to Statutory Authorities	**26,942,030**	30,077,154
Advances from Customers	**121,259,775**	11,183,718
Amounts due to Consignment Agents	**23,370,050**	7,603,134
Other Payables	**144,863,743**	638,757,122
	725,089,135	1,218,771,346

Note : Unclaimed dividend, unclaimed matured deposits and interest accrued thereon included above represent amounts to be credited to the Investor Education and Protection Fund as and when they become due.

C.9 SHORT TERM PROVISIONS		
Provision for Gratuity (non funded)	**21,303,997**	19,508,804
Provision for Compensated Absences (non funded)	**10,262,792**	5,903,825
	31,566,789	25,412,629

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

C.10 FIXED ASSET - TANGIBLE

	GROSS BLOCK					DEPRECIATION				NET BLOCK	
Description	**As at 1st April, 2011**	**Additions**	**Deductions**	**Exchange translations**	**As at 31st March, 2012**	**As at 1st April, 2011**	**Charge for the Period**	**Deductions**	**As at 31st March, 2012**	**As at 31st March, 2012**	**As at 31st March, 2011**
Land (Freehold)	3,749,329	-	-	-	**3,749,329**	-	-	-	-	**3,749,329**	3,749,329
Land (Leasehold) (refer note D.5 (c))	82,015,526	97,033,326	-	10,869,735	**189,918,587**	-	2,963,110	-	**2,963,110**	**186,955,478**	82,015,526
Buildings	185,652,771	-	-	7,510,350	**193,163,121**	50,728,859	5,201,151	-	**55,930,010**	**137,233,111**	134,923,912
Plant and Machinery	3,582,910,761	64,653,267	-	177,432,411	**3,824,996,438**	1,588,213,716	184,896,754	-	**1,773,110,470**	**2,051,885,968**	1,994,697,045
Wind Operated Generators	165,023,000	-	-	-	**165,023,000**	49,767,601	17,063,379	-	**66,830,980**	**98,192,020**	115,255,399
Computer Equipments	19,774,613	1,206,618	-	-	**20,981,231**	16,385,662	1,354,197	-	**17,739,859**	**3,241,372**	3,388,951
Office Equipments	11,171,932	1,424,992	-	-	**12,596,924**	6,413,361	787,500	-	**7,200,861**	**5,396,063**	4,758,571
Furniture and Fixtures	37,365,454	2,124,185	-	-	**39,489,639**	21,201,778	6,118,304	-	**27,320,081**	**12,169,558**	16,163,676
Vehicles	10,397,076	3,552,460	(563,022)	-	**13,386,514**	5,933,504	1,537,029	(434,362)	**7,036,171**	**6,350,343**	4,463,572
Details of Assets used for R & D									-		
Plant and Machinery	78,461,990	-	-	-	**78,461,990**	17,392,869	3,697,189	-	**21,090,058**	**57,371,932**	61,069,121
Furniture, Fixtures and Office Equipments	6,978,722	2,519,179	-	-	**9,497,901**	2,642,905	2,420,527	-	**5,063,432**	**4,434,469**	4,335,817
Total	**4,183,501,174**	**172,514,027**	**(563,022)**	**195,812,496**	**4,551,264,675**	**1,758,680,255**	**226,039,139**	**(434,362)**	**1,984,285,032**	**2,566,979,643**	**2,424,820,919**
Previous Year	2,714,842,398	1,471,372,679	(2,713,903)	-	4,183,501,174	1,607,064,511	147,152,199	(2,177,691)	1,738,756,547	2,424,820,919	1,107,777,887

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

		₹ As at 31st March, 2012	₹ As at 31st March, 2011
C.11 NON CURRENT INVESTMENTS			
In equity instruments			
Quoted (At Cost)			
Neyveli Lignite Corporation Ltd.		**313,958**	313,958
5,000 (5,000) equity shares of ₹ 10 each fully paid up			
Piramal Glass Limited		**620**	620
62 (62) equity shares of ₹ 10 each fully paid-up			
Piramal Healthcare Limited(Earlier known as Nicholas Piramal Ltd.)		**122,728**	122,728
1,409 (1,375) equity shares of ₹ 2 each fully paid up			
Piramal Life Science Limited		**25,727**	25,727
137(137) equity shares of ₹ 10 each fully paid-up			
Tata Power Limited		**7,699**	7,699
500 equity shares of ₹ 1 each (50 equity shares of ₹ 10 each fully paid-up)			
Ultramarine & Pigments Limited		**53,775,623**	53,775,623
3,044,800 (3,044,800) equity shares of ₹ 2 each fully paid-up			
Resins and Plastics Ltd.		**300,000**	300,000
10,000 (10,000) equity shares @ ₹ 10 each fully paid-up			
	(A)	**54,546,355**	54,546,355
Quoted (At realisable value)			
Futuristic Offshore Services and Chemicals Ltd.		**1,050**	1,050
(Earlier known as Ganesh Anhydride Ltd.)			
100 (100) equity shares @ ₹ 10 each fully paid-up			
Less: Provision for diminution other than temporary		**(950)**	(950)
		100	100
Maruti Plastics Ltd		**51,239**	51,239
4,000 (4,000) equity shares @ ₹ 10 each fully paid-up			
Less: Provision for diminution other than temporary		**(47,239)**	(47,239)
		4,000	4,000
Indu Nissan Oxo Chemical Ltd.		**115,595**	115,595
9,150 (9,150) equity shares @ ₹ 10 each fully paid-up			
Less: Provision for diminution other than temporary		**(106,445)**	(106,445)
		9,150	9,150
	(B)	**13,250**	13,250
Unquoted (At Cost)			
Kamer Co-operative Housing Society Limited		**250**	250
5 (5) equity shares @ ₹ 50 fully paid up			
The Sarawat Co-operative Bank Ltd		**20,000**	20,000
200 (200) equity shares @ ₹ 100 each fully paid up			
	(C)	**20,250**	20,250
	(D) = (A+B+C)	**54,579,855**	54,579,855
Aggregate amount of Quoted Investments		**54,559,605**	54,559,605
Market value of Quoted Investments		**154,324,840**	126,193,579
Aggregate amount of Unquoted Investments		**20,250**	20,250
Aggregate provision for diminution in value of investments		**154,634**	154,634

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ As at 31st March, 2012	₹ As at 31st March, 2011
C.12 LONG-TERM LOANS AND ADVANCES		
(Considered Good)		
Capital advances	-	10,880
Deposit with Government Authorities	**4,987,617**	5,814,815
Deposit with Others	**84,351,977**	1,260,434
	89,339,594	7,086,129
C.13 OTHER NON CURRENT ASSETS		
(Unsecured and Considered Good)		
Taxes Paid in Advance (Net of provision for tax)	**114,763,330**	88,180,229
Minimum Alternate Tax Credit Entitlement	**98,763,011**	112,196,593
Other Loans and Advances	**3,382,215**	2,685,164
	216,908,556	203,061,986
C.14 INVENTORIES		
(valued at lower of cost and net realisable value)		
[As per inventory taken, valued and certified by a director]		
Stores and Spares (refer note a.)	**94,686,660**	69,949,970
Fuel	**2,536,000**	4,644,000
Packing Materials	**9,434,124**	2,699,646
Raw Materials	**639,566,000**	480,387,000
Catalyst	**94,447,965**	95,061,599
Finished Goods (refer note b.)	**507,205,559**	337,056,000
Work in Progress	**187,942,403**	92,711,000
Stock of Trading items	**59,005,422**	31,666,601
	1,594,824,133	1,114,175,816

Note:

a. Includes material in transit amounting to ₹ 168,642 (Previous year ₹ 7,405,970)

b. Includes material in transit amounting to ₹ 197,042,709 (Previous year ₹ 16,557,981)

C.15 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Debts outstanding for a period exceeding six months from due date	**37,525,162**	34,157,283
Other Debts	**2,516,263,938**	1,874,857,463
	2,553,789,100	1,909,014,746

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ As at 31st March, 2012	₹ As at 31st March, 2011
C.16 CASH AND CASH EQUIVALENTS		
Cash on hand	**249,667**	3,777,523
Balance with Banks		
In current accounts	**122,613,333**	9,828,866
In deposit account	**16,968,509**	-
In Margin money account against letters of credit issued by banks	**39,087,985**	160,000
Earmarked balances with banks		
Unpaid Dividend	**3,484,807**	4,002,988
Unpaid Interest	**215,255**	359,354
	182,619,556	18,128,731
C.17 SHORT-TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Staff advances	**1,160,008**	685,200
	1,160,008	685,200
C.18 OTHER CURRENT ASSETS		
(Unsecured and Considered Good)		
Balance with Customs and Excise	**52,404,106**	108,832,886
Advance to Suppliers	**20,220,083**	14,878,282
Other loans and advances	**200,756,609**	176,030,924
	273,380,798	299,742,092

(Other loans and advances include amount due from Managing Directors ₹ 15,363,288 (₹ 1,536,000).

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
C.19 REVENUE FROM OPERATIONS		
Sales		
Manufactured Goods	**10,419,748,763**	7,484,453,189
Traded Goods	**758,247,082**	711,108,386
Gross sales	**11,177,995,845**	8,195,561,575
Less: Excise Duty Recovered on Sales	**747,375,900**	609,193,746
Net Sales	**10,430,619,945**	7,586,367,829
Other Operating revenues :		
Sales of Power from Wind Operated Generators	**13,757,978**	14,557,834
Income from Letting out of Storage Facility	**23,969,424**	21,227,976
Duty Drawback and Duty Entitlement Pass Book Benefits	**31,186,026**	16,311,885
Sale of Scrap	**16,288,611**	5,963,206
	10,515,821,984	7,644,428,730

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
Details of products sold		
Phthalic Anhydride	**7,596,327,846**	6,327,173,661
Food Acids	**779,788,462**	689,729,204
Pthalate Esters	**573,604,732**	466,230,739
Maleic Anhydride	**1,467,648,722**	-
Others	**2,379,001**	1,319,585
	10,419,748,763	7,484,453,189
Details of trading sales		
Maleic Anhydride and Other Chemicals	**758,247,082**	702,290,177
Machinery Items	**-**	8,818,209
	758,247,082	711,108,386
C.20 Other Income		
Interest Income	**1,830,003**	30,360,538
Dividend Income from Long Term Investments	**9,192,800**	9,177,387
Profit on Sale of Assets (Net)	**19,194**	17,785
Insurance Claims	**59,960**	18,168,381
Rent Received	**3,944,254**	3,022,719
Recovery of Consortium fee of Prior period	**1,600,608**	-
Sundry balances written back (Net)	**423,130**	2,982,436
Gain on Foreign Currency Transaction /Translation	**12,736,909**	-
Surrender value on assignment of Keymen Insurance Policy	**15,363,288**	-
Miscellaneous Receipts	**10,062,202**	3,872,657
	55,232,348	67,601,903
C.21 Cost of Materials consumed		
Raw Materials, Process Chemicals and Catalyst Consumed		
Stock at Commencement	**575,448,599**	385,717,807
Add: Purchases	**8,553,063,942**	5,636,931,457
	9,128,512,541	6,022,649,264
Less: Sales	**-**	13,095,757
Less: Stock at close	**744,559,880**	575,448,599
	8,383,952,661	5,434,104,907
Details of Raw Materials Consumed		
Orthoxylene	**6,346,942,484**	4,905,721,854
Others	**2,037,010,177**	528,383,053
	8,383,952,661	5,434,104,907

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
C.22 PURCHASES OF STOCK IN TRADE		
Traded Goods		
Purchase of Maleic Anhydride and Other Chemicals	**224,513,375**	560,895,851
Purchase of Machinery and Spares	**19,303,503**	4,412,130
	243,816,878	565,307,981
C.23 CHANGES IN STOCK		
Inventories at the end of the year		
Finished Goods	**507,205,559**	337,056,000
Work in Progress	**187,942,403**	92,711,000
Stock of Trading items		
Maleic Anhydride and Other Chemicals	**53,359,000**	30,342,000
Machinery and Spares	**5,646,422**	1,324,602
	754,153,384	461,433,602
Inventories at the beginning of the year		
Finished Goods	**337,056,000**	388,022,000
Work in Progress	**92,711,000**	50,819,000
Stock of Trading items		
Maleic Anhydride and Other Chemicals	**30,342,000**	17,928,055
Machinery and Spares	**1,324,602**	1,347,000
	461,433,602	458,116,055
Changes in Inventory	**292,719,782**	3,317,547
Details of Finished goods at the end of the year		
Phthalic Anhydride	**359,658,000**	295,945,000
Others	**147,547,559**	41,111,000
	507,205,559	337,056,000
Details of Finished goods at the beginning of the year		
Phthalic Anhydride	**295,945,000**	327,618,000
Others	**41,111,000**	60,404,000
	337,056,000	388,022,000
Details of Work in progress at the end of the year		
Phthalic Anhydride	**118,995,000**	67,208,000
Others	**68,947,403**	25,503,000
	187,942,403	92,711,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
Details of Work in progress at the beginning of the year		
Phthalic Anhydride	**67,208,000**	29,802,000
Others	**25,503,000**	21,017,000
	92,711,000	50,819,000
Trading stocks		
i. Maleic Anhydride and Other Chemicals		
Opening Stock	**30,342,000**	17,928,055
Purchase	**224,513,375**	560,895,852
Sales	**758,247,082**	702,290,177
Closing Stock	**53,359,000**	30,342,000
ii. Machinery Items		
Opening Stock	**1,324,602**	1,347,000
Purchases	**19,303,503**	4,412,130
Sales	**-**	8,818,209
Closing Stock	**5,646,422**	1,324,602
C.24 EMPLOYEES BENEFITS EXPENSE		
Salaries, Wages, Bonus, etc	**218,261,116**	123,952,735
Contribution to Provident Fund and Other Funds	**23,865,199**	13,662,454
Staff Welfare Expenses	**32,946,534**	10,039,750
	275,072,849	147,654,939
C.25 FINANCE COSTS		
Interest Expense	**382,364,270**	229,731,576
Exchange Loss on Foreign Currency Loan	**82,297,018**	4,156,930
Interest on Income Tax	**810,000**	435,207
Bank Charges	**60,586,645**	74,201,887
	526,057,933	308,525,600

Interest expense includes interest on acceptance ₹ 105,170,659 (Previous year ₹ 55,507,135) .

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
C.26 OTHER EXPENSES		
Stores and Spares Consumed	**52,895,229**	41,055,343
Power and Fuel	**394,446,681**	233,321,570
Excise Duty on Stock	**11,745,974**	(13,874,232)
Repairs to:		
Machinery	**67,243,693**	19,407,941
Buildings	**17,395,709**	18,784,264
Others	**3,234,320**	3,619,364
Packing Expenses and Materials Consumed	**61,504,760**	61,114,160
Freight and Forwarding	**369,784,344**	298,558,575
Commission and Brokerage	**26,266,787**	26,234,112
Rent	**1,200,969**	1,005,075
Rates and Taxes	**3,037,534**	1,307,849
Insurance	**14,131,376**	12,596,225
Travelling and Conveyance	**15,466,375**	15,506,374
Communication Expenses	**4,534,548**	3,616,029
Research and Development Expenses	**20,790,331**	23,614,231
Payment to Auditors (refer note no. C27)	**2,826,448**	1,610,380
Expenses on Wind Operated Generators	**1,406,567**	2,207,047
Legal and Professional Charges	**12,314,203**	15,514,109
Directors Remuneration	**20,115,049**	11,413,539
Bad Debts written off	**407,116**	1,237,719
Exchange Loss on Foreign Currency Transaction / Translation	**15,725,866**	29,728,023
Miscellaneous Expenses	**72,078,619**	56,825,932
	1,188,552,498	864,403,629
C.27 PAYMENT TO AUDITORS		
Audit Fees	**1,720,542**	650,000
For Certification	**400,000**	325,000
For Taxation Matters	**60,000**	60,000
For Tax Audit	**150,000**	125,000
For Other Services	**300,000**	300,000
Service Tax	**195,906**	150,380
Total	**2,826,448**	1,610,380

		₹ Year Ended 31st March, 2012	₹ Year Ended 31st March, 2011
C.28 COMMITMENTS AND CONTINGENT LIABILITIES			
(A)	Commitments/contingent liabilities:		
(i)	Estimated amount of contracts to be executed on capital account and not provided for	**3,791,850**	1,355,000
	Against which advances paid	**NIL**	NIL
(ii)	Guarantees issued by Banks on behalf of Company (since revoked)	**29,451,930**	314,131,200
(iii)	Bond in favour of excise authorities	**1,828,509**	160,000

(B) Claims against the Company not acknowledged as debts in respect of following items:

(i) The Excise authorities have in their show cause notices questioned the company's claim for Modvat on certain items amounting to ₹ 99,945 (Previous year ₹ 599,945). The company has paid ₹ NIL (Previous Year ₹ 1,350,000) against the same which are shown under the head Advances. The Company does not expect any liability to crystallise on this account.

(ii) 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 ₹ 7,537,505 (Previous year ₹ 7,537,505). The Company has filed a writ petition against these notices in the High Court. The Company does not expect any liability to crystallise on this account.

(iii) The company had received a demand of ₹ 99,363,453 (Previous Year ₹ 99,363,453) from enforcement directorate toward alleged non-submission of bill of entries for imports in earlier years. However, the Company has received letters from the concerned banks as well as Reserve Bank of India accepting that the said omission was not on the part of the Company. The appeal filed by the Company before the appellate tribunal was dismissed on limitation grounds.The Company thereafter, filed an appeal against the said order of the appellate tribunal as well as a writ petition to quash the proceedings, before the Hon'ble High Court at Bombay. The Hon'ble High Court was of the opinion that the appeal was not maintainable and rejected the same as well as the Writ petition.

Aggrieved by this order, the Company filed a Special Leave Petition before the Hon'ble Supreme Court of India on 15th September, 2008. The said matter was finally heard by the Hon'ble Supreme Court of India on 7th May, 2010 & the order pronounced on 11th April, 2011.

The Hon'ble Supreme Court of India has vide its order dated 11th April,2011 set aside the order passed by the Foreign Exchange Appellate Tribunal on 25th October,2007 and the order dated 24th July, 2008 passed by the Hon' ble High Court of Bombay and remitted the appeals back to the Foreign Exchange Appellate Tribunal for fresh consideration in accordance with the law on the basis of findings recorded by them. The Company does not expect any liability to crystalise on this account

(iv) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹ 134,345,983 (Previous Year ₹ 102,707,853) 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 ₹ 122,191,555 (Previous Year ₹ 59,055,767).

(C) Other Committements:

The company had entered into an agreement with Gujarat Industrial Development Corportation for allotment of land for setting up chemical unit. As per the said agreement, the company within a period of six months from the date of agreement and within a period of two years from the said date build and completely finish it for occupation of building to be used as industrial factory.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

D. Disclosure in accordance with Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006.

D 1. Accounting Standard (AS-17) "Segment Reporting" :

(a) Primary Segment

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risk and returns, the organisation structure and internal reporting system. The Company's operations predominantly relate to manufacture of Chemicals Products and its Intermediaries.

(b) Secondary Segment

The business segment has been considered as the primary segment and the geographical segment has been considered as the secondary segment. "Chemicals" and "Power Generation" are the business segments and necessary information is given hereunder.

(c) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not attributable to the business segment, are shown unallocated corporate cost.

(d) Assets and Liabilities that cannot allocate between the segments are shown as a part of unallocated Corporate Assets and Liabilities respectively.

		Year Ended 31.3.2012		Year Ended 31.3.2011	
		₹	**₹**	₹	₹
1.	**REVENUE**				
	EXTERNAL REVENUE				
	Chemical products and its Intermediaries	**10,502,064,006**		7,629,870,897	
	Power Generation from Wind operated generators	**13,757,978**		14,557,834	
	Total		**10,515,821,984**		7,644,428,731
2.	**RESULT**				
	Profit / (Loss) before Interest and Corporate expenses but after depreciation				
	Chemical products and its Intermediaries	**524,665,966**		523,714,174	
	Power generation from Wind operated generators	**(4,711,968)**		(6,527,574)	
	Total		**519,953,998**		517,186,600
	Interest	**(526,057,933)**		(308,525,600)	
	Add: (Unallocted Expenses) / Income (net) and Corportate expenses	**26,386,091**		39,537,925	
	Provsion for current Tax	**(35,467,249)**		(7,101,720)	
	Deferred Tax	**24,366,742**		(70,990,059)	
	Minority interest	-		9,338,897	
			(510,772,349)		(337,740,557)
	NET PROFIT		**9,181,649**		179,446,043
	OTHER INFORMATION				
3.	**SEGMENT ASSETS**				
	Chemical Products and its Intermediaries	**7,178,526,631**		5,681,935,959	
	Power Generation (Windoperated Generators)	**113,956,231**		124,918,918	
	Unallocated / Corporate	**268,106,196**		254,956,677	
	Total		**7,560,589,058**		6,061,811,553

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	Year Ended 31.3.2012 ₹	₹	Year Ended 31.3.2011 ₹	₹
4. SEGMENT LIABILITIES				
Chemical Products and its Intermediaries	**3,230,016,252**		2,867,419,674	
Power Generation (Windoperated Generators)	**24,375,000**		56,875,000	
Unallocated / Corporate	**2,765,109,405**		1,826,071,369	
Total		**6,019,500,657**		4,750,366,043
5. CAPITAL EXPENDITURE				
(including Capital Work In Progress)				
Chemical Products and its Intermediaries	**176,022,291**		1,498,597,626	
Power Generation (Windoperated Generators)	**-**		-	
Unallocated / Corporate	**-**		-	
Total		**176,022,291**		1,498,597,626
6. DEPRECIATION				
Chemical Products and its Intermediaries	**208,975,760**		128,273,838	
Power Generation (Windoperated Generators)	**17,063,379**		18,878,361	
Unallocated / Corporate	**-**		-	
Total		**226,039,139**		147,152,199

The Company has two geographical segments viz., Domestic and Exports within the primary segment of chemicals as defined above. Revenue from geographical segments based on location of customer is given below.

Particulars	2011-12 ₹	2010-11 ₹
Domestic	**8,630,853,563**	7,315,495,778
Export	**2,547,142,282**	880,065,797
	11,177,995,845	8,195,561,575

D 2. Accounting Standard (AS-18) "Related Party Disclosures " :

Entities in which the company has substantial interest (i.e. more than 20% in voting power directly or indirectly)

Ultramarine and Pigments Ltd. (UPL)

Thirumalai Charity Trust (TCT)

Managing Directors of holding company

Mr. S. Sridhar (upto 6th January, 2012)

Mr. R. Parthasarathy

Key Management Personnel of holding company

Mr. Dhanpat Raj Dhariwal (CEO) (from 8th July, 2011)

Mr. S.V.S.Ramaraju (upto 31st January, 2011)

Relatives of Directors of holding company

Ms. V. Jaya

Ms. Ramya Bharathram

Mr. S.Varadharajan (from 1st March, 2011)

Mr. S. Narayan (from 1st April, 2011)

Details of transactions with above parties

Particulars	Companies in which the company has substantial interest		Directors of the Company and their relatives		Total	
	2011-2012	2010-2011	**2011 – 2012**	2010-2011	**2011 – 2012**	2010-2011
	(A)	**(B)**	**(C)**	**(D)**	**E = (A) + (C)**	**F = (B) + (D)**
	₹	₹	**₹**	₹	**₹**	₹
Managing Directors Remuneration						
Mr.S.Sridhar	**-**	-	**5,749,846**	5,706,770	**5,749,846**	5,706,770
Mr.R.Parthasarathy	**-**	-	**6,903,692**	5,706,769	**6,903,692**	5,706,769
	-	-	**12,653,538**	11,413,539	**12,653,538**	11,413,539
Purchase of Goods						
Ultramarine and Pigments Ltd	**32,698**	333,409	**-**	-	**32,698**	333,409
	32,698	333,409	**-**	-	**32,698**	333,409
Sale of Goods					**-**	
Ultramarine and Pigments Ltd	**-**	23,516	**-**	-	**-**	23,516
	-	23,516	**-**	-	**-**	23,516
Assignment of Insurance Policy						
Mr.S.Sridhar	**-**	-	**7,681,644**	-	**7,681,644**	-
Mr.R.Parthasarathy	**-**	-	**7,681,644**	-	**7,681,644**	-
	-	-	**15,363,288**	-	**15,363,288**	-
Expenses Recharged by Company						
Ultramarine and Pigments Ltd	**4,290,196**	2,920,049	**-**	-	**4,290,196**	2,920,049
	4,290,196	2,920,049	**-**	-	**4,290,196**	2,920,049
Expenses Recharged to Company						
Ultramarine and Pigments Ltd	**132,571**	37,559	**-**	-	**132,571**	37,559
	132,571	37,559	**-**	-	**132,571**	37,559
Rendering of Services						
Ultramarine and Pigments Ltd	**88,462**	354,417	**-**	-	**88,462**	354,417
Mr.R.Parthasarathy	**-**	-	**12,000**	12,000	**12,000**	12,000
	88,462	354,417	**12,000**	12,000	**100,462**	366,417
Receiving of Services						
Thirumalai Charity Trust	**84,520**	179,396	**-**	-	**84,520**	179,396
	84,520	179,396	**-**	-	**84,520**	179,396

Details of transactions with above parties

Particulars	Companies in which the company has substantial interest		Directors of the Company and their relatives		Total	
	2011-2012	2010-2011	**2011 – 2012**	2010-2011	**2011 – 2012**	2010-2011
	(A)	**(B)**	**(C)**	**(D)**	**E = (A) + (C)**	**F = (B) + (D)**
	₹	₹	**₹**	₹	**₹**	₹
Outstanding Payables						
Ultramarine and Pigments Ltd	**2,632**	115,891	**-**	-	**2,632**	115,891
Mr.S.Sridhar	**-**	-	**2,333,741**	-	**2,333,741**	-
	2,632	115,891	**2,333,741**	-	**2,336,373**	115,891
Outstanding Receivable						
Ultramarine and Pigments Ltd	**1,651,713**	609,202	**-**	-	**1,651,713**	609,202
Mr.R.Parthasarathy	**-**	-	**7,681,644**	768,000	**7,681,644**	768,000
Mr.S.Sridhar	**-**	-	**-**	768,000	**-**	768,000
	1,651,713	609,202	**7,681,644**	1,536,000	**9,333,357**	2,145,202
Deposits Taken						
Ultramarine and Pigments Ltd	**131,149,352**	211,287,864	**-**	-	**131,149,352**	211,287,864
Directors and Relative of Directors	**-**	-	**26,950,000**	26,857,000	**26,950,000**	26,857,000
	131,149,352	211,287,864	**26,950,000**	26,857,000	**158,099,352**	238,144,864
Interest Expenses on Deposits Taken						
Ultramarine and Pigments Ltd	**5,814,660**	10,821,828	**-**	-	**5,814,660**	10,821,828
Directors and Relative of Directors	**-**	-	**7,364,261**	6,768,719	**7,364,261**	6,768,719
	5,814,660	10,821,828	**7,364,261**	6,768,719	**13,178,921**	17,590,547
Deposits paid						
Ultramarine and Pigments Ltd	**131,149,352**	211,287,864	**-**	-	**131,149,352**	211,287,864
Directors and Relative of Directors	**-**	-	**62,822,000**	5,522,000	**62,822,000**	5,522,000
	131,149,352	211,287,864	**62,822,000**	5,522,000	**193,971,352**	216,809,864
Outstanding Deposits Payable						
Ultramarine and Pigments Ltd	**1,400,000**	1,400,000	**-**	-	**1,400,000**	1,400,000
Directors and Relative of Directors	**-**	-	**41,050,000**	76,422,000	**41,050,000**	76,422,000
	1,400,000	1,400,000	**41,050,000**	76,422,000	**42,450,000**	77,822,000

Remuneration paid to key management personnel	2011 – 2012	2010-2011
Mr. S.V.S.Ramaraju	-	3,228,890
Mr. Dhanpat Raj Dhariwal	7,231,516	-
	7,231,516	3,228,890

Remuneration paid to relatives of Directors		
Mrs. V. Jaya (up to 30 September 2011)	438,292	401,493
Mrs. Ramya Bharathram	1,330,412	236,261
Mr. S. Varadharajan (from 1st March 2011)	1,286,309	49,996
Mr. S. Narayan	1,286,309	-
	4,341,322	687,750

D 3. Accounting Standard (AS-19) "Accounting for Leases" :

a) During the year the company has taken office premises/residential premises under cancelable lease. Lease rent accounted in profit and loss account ₹ 1,200,969 (Previous Year ₹ 1,005,075). The said lease is cancelable at the option of the lessee at three months notice. The deposit paid in respect of the same is ₹ 419,255 (₹ 396,560).

b) The Company has given office premises on lease to a Company under the same management under cancelable lease arrangement for a period of five years. The lease arrangement can be cancelled at the option of lesser or lessee either giving two months notice. The Company has taken interest free security deposit of ₹ 1,400,000 (Previous Year ₹ 1,400,000) Lease rent received during the year and accounted as income is ₹ 3,369,470 (Previous Year ₹ 2,638,340).

c) The company has entered into an agreement with Gujarat Industrial Development Corportation for allotment of land (leasehold). After complying with conditions related to erection of Factory Building and Works, a lease agreement will be entered for a term of 99 years.

D 4. Accounting Standard (AS-20) "Earnings per Share" :

The Basic and Diluted EPS is calculated as under:

Particulars	2011-2012	2010-2011
Profit attributable to Equity Shareholders (₹)	9,181,649	179,446,042
No. of equity shares (of ₹ 10 each)	10,238,812	10,238,812
Earnings Per Share	0.89	17.53

E. Other disclosures:

1. Foreign Currency Exposures

The year end exposure in a currency other than the functional currency of the relevant Company that were not hedged by a derivative instrument or otherwise are given below:

Open foreign exchange exposures:

Particulars	**2011-2012**		2010-2011	
	Foreign Currency	**Amount in ₹**	Foreign Currency	Amount in ₹
Accounts Receivable	**USD 21,213,147**	**1,078,391,481**	USD 15,223,833	676,571,066
			EURO 9,750	609,375
Accounts Payable *	**USD 17,094,305**	**807,919,077**	USD 21,839,867	987,320,323
	EURO 440,057	**30,245,113**	EURO 549,619	34,939,270

*Forward contracts outstanding at year end for hedging payables NIL (Previous Year: (USD) 10,917,583)

2. Previous Year's Figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classsification/ disclosure.

As per our report of even date
For & on behalf of

CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS

H. V. KISHNADWALA
PARTNER

MUMBAI, 24TH MAY, 2012

For and on behalf of the Board of Directors

R. PARTHASARATHY
MANAGING DIRECTOR

ATUL AGARWAL
DIRECTOR

R. SAMPATH
DIRECTOR

T. RAJAGOPALAN
COMPANY SECRETARY

Thirumalai
Chemicals Ltd.

Financial Highlights

(₹ in Lakhs)

Particulars	11-12	10-11	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03
Share Capital	1024	1024	1024	1024	1024	1024	1024	996	996	996
Reserves & Surplus	10629	9516	7661	7500	12100	10631	9178	8336	7682	7199
Networth	11653	10540	8685	8524	13124	11655	10202	9332	8678	8195
Fixed Assets(net)	10317	10255	11111	12295	12145	10689	11354	11499	12378	13329
Sales/Other Income	91130	77843	63253	48405	58430	54749	37129	35803	23628	27709
Gross Profit/(loss)	7199	7019	7033	(4061)	7190	5963	4009	3553	2942	3256
Interest/Finance Charges	5237	1751	1994	1703	1387	1019	884	724	800	997
Depreciation	1381	1339	1236	1223	1125	1090	1124	1109	1087	900
Current Tax	346	511	665	12	1825	1459	596	792	82	107
Deferred Tax	244	710	1203	(2405)	(197)	(185)	(42)	(406)	(73)	(126)
Net Profit/(Loss)	478	1855	2586	(4600)	2667	2531	1453	1335	1044	1309
Dividend(incl.tax)	—	—	597	—	1198	1078	759	681	562	562
DIVIDEND (%)	—	—	50	—	100	90	65	60	50	50
EARNING PER SHARE (₹)	4.67	18.12	25.26	(44.93)	26.05	24.72	14.19	13.41	10.48	13.14

THIRUMALAI CHEMICALS LTD.

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

Thirty Nineth Annual General Meeting on Friday, July 13, 2012

Joint shareholders may obtain additional Slip at the venue of the meeting

ATTENDANCE SLIP

* DP I.D. No.		Master Folio No.	
*Client I.D.No.		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **THIRTY NINETH ANNUAL GENERAL MEETING** of the Company to be held on Friday, July 13, 2012 at 4.00 p.m. at The Mysore Association Auditorium, Mysore Association, 393, Bhaudaji Road, Matunga-C Rly., Mumbai 400 019.

Signature of Shareholder / proxy

* Applicable for shares in dematerialised form.

Tear Here

PROXY FORM

THIRUMALAI CHEMICALS LTD.

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

Thirty Nineth Annual General Meeting on Friday, July 13, 2012

* DP I.D. No.		Master Folio No.	
*Client I.D.No.		No. of Shares	

I/We .....of ..... in the district of .....

being a member / members of the above named Company hereby appoint ....of ..... in the district of .....or failing him .....of ..... in the district of .....

as my/our proxy to vote for me/us on my /our behalf at the **THIRTY NINETH ANNUAL GENERAL MEETING** of the Company to be held on Friday, July 13, 2012 at 4.00 p.m. at The Mysore Association Auditorium, Mysore Association, 393, Bhaudaji Road, Matunga-C. Rly., Mumbai 400 019 and at any adjournment thereof.

Signed this day of .....2012.

Signature .....

Please affix Revenue Stamp Here

* Applicable for shares in dematerialised form.

Note :

The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Company's Registered Office, not less than 48 hours before the time for holding the meeting. The proxy need not be a member of the Company.

NOTES

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The Akshaya Vidya Trust

Vedavalli Vidyalaya Senior Secondary School, Walaja - CBSE (1994)
Vedavalli Higher Secondary School, Walaja - Tamilnadu State Board (1999)
Vedavalli Vidyalaya School, Ranipet - CBSE (2003)

Two core beliefs that have guided us are:

- **'Learning by doing' is the best way to understand fundamental concepts thoroughly**
- **Learning can take place only in a fear-free atmosphere.**

Spread over two campuses with good facilities for congenial atmosphere of learning, we continue our mission to provide holistic education. More than 2300 students study in our schools. We give you a sample of our activities during the year for you to get a feel of how learning takes place here.

Grandparents were happy when the KG children gave them a glimpse of their work on 'Grandparents day'. Parents were thrilled to receive postcard greetings after their children visited the post office.

Primary school children dressed up as Bharathiar and sang his songs. In traditional costumes, children danced their way into the hearts of the audience to highlight Tamil culture. Value education through stories and activities helped clarify many conflicting issues for middle school children. Continuous Comprehensive Evaluation activities were evidenced by the wonderful charts put up by the students of the high school on the display boards. Rigorous training for the Board exams coupled with supervision of caring teachers for students' well being was visible in the higher secondary sections.

Activity packed special weeks in Science, Maths, English, Environment and Sports provided ample opportunities for children to explore, experiment, experience and understand many things. Projects, exposure visits and field trips enabled learning. Book fairs were organized. Programmes on Teachers' Day and Children's Day helped to understand and appreciate each other's priorities. Traditional sports and games were rediscovered in activities and displays on the Sports day. A variety of students' talents found expression on the Annual day. Computers skills learnt throughout the year were demonstrated by all classes on a day. The Art and Craft exhibition displayed the work of the students in all the classes and left the visitors spell bound.

Dr. Arvind Gupta demonstrated scientific principles in action by making toys out of trash. Environment activist Mr. Srinivasan highlighted the need for waste management. Eco Warrior Mr. Yoganathan stressed upon the need for growing trees. Soil Biologist Dr. Sultan Ismail impressed upon the need to protect Mother Earth. Ms. Devika explained the relevance of Gandhian principle of Ahimsa. Mr. Arun Karthik, an alumna who plays for the IPL interacted with the children.

The training in school enables students to perform well not only in public examinations but also in national competitions. Our students also won prizes in zonal, district and CBSE sports events. Our alumni stand out because of their confidence and competence. They are team leaders because of their analytical thinking, communication and inter-personal skills. We are proud of our students and alumni.

The tiny tots who stepped into our school now come back to admit their children. We welcome you to visit us. Our children will be eager to show you around the school and explain how learning takes place here.

Visit us: www.vedavallividyalaya.org

Thirumalai Charity Trust

Responding to a need,
Reaching out to the poor...

"Bringing the rural poor together in building their own future" — That's TCT, Thirumalai Charity Trust, started in 1970 by the Thirumalai Group of Industries. Volunteerism, women empowerment and community involvement have been the hallmark of our programmes. We count on the involvement of our many volunteers, women beneficiaries, treated alcoholics, disabled people and their families. We enjoy the goodwill of the local community. We currently serve more than 100,000 people in 25,000 families in 225 villages of Vellore District in Tamilnadu.

Because of our three decades of engagement with the community, we are uniquely positioned to develop a good community health model. We started the Thirumalai Mission Hospital in April 2010 as a not-for-profit facility to provide accessible, affordable quality healthcare to all.

The hospital, located on a 5-acre plot now has 30 beds in a built up area of 15,000 sq.ft., spread over three floors. Equipped with modern facilities, the hospital provides a comprehensive range of services, through a team of highly qualified and experienced surgeons and physicians.

The highlights of 2011–2012 include the following:

- Nearly 40,000 patients were given primary health care in the villages.
- The hospital provided second level of care to nearly 16,000 patients in the outpatients department and more than 200 patients were given in-patient care.
- More than 2000 patients were served in camps at the hospital.
- In our 20th de-addiction camp, 30 persons received help. At a meeting of the beneficiaries, the treated alcoholics and their family members resolved to sensitise the rural families about drinking and come together for protecting children and women from violence.
- Nearly 200 senior citizens were assisted for cataract surgery.
- More than 15,000 students were checked up in schools.
- In a pilot programme for screening women for cervical and breast cancer, 670 women were screened by our gynaecologist in the villages. Those with cancer and possible risks of cancer are being followed up and treatment plan worked out.
- Nearly 200 women were screened for osteoporosis with the help of Dexa Bone scan. We are providing treatment with calcium & vitamin D supplements, and counseling and follow-up for those with risks and problems.
- The hospital facilities were improved with the expansion on the second floor.
- The laboratory, the medical record system and the training for the staff received a lot of attention for improving the quality of work.

Every aspect of the functioning of Thirumalai Mission Hospital is guided by a quality policy that stresses on transparency, ethics and adherence to good, standard medical practices.

As we reach out to more people to serve in more ways, we also reach out to those who would like to participate in our efforts. Visit us in person to get a first hand feel of our activities.

Also visit us: www.thirumalaicharitytrust.org

http://www.youtube.com/watch?v=e7DJVoEO8IA

CRYSTAL FORMS PVT. LTD. (022) 6614 0900