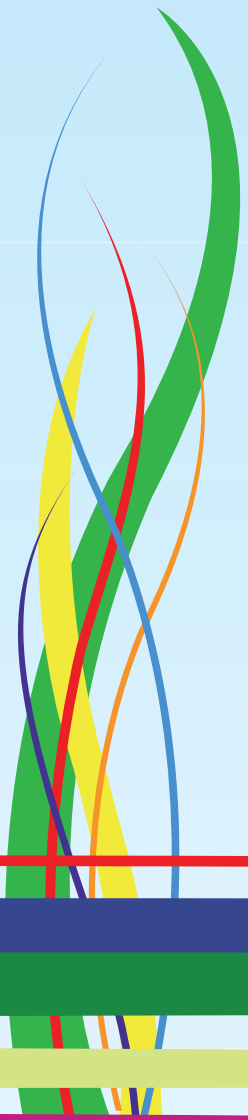


**THIRUMALAI
CHEMICALS LTD.**



42nd

**Annual Report
2014–2015**

APPLICATIONS OF MALIC ACID



Pharma

Jams

Pet Food

Beverages



*Personal
Care Products*

Seasoning

Vegetables

Pickles



MALIC ACID IN YOUR KITCHEN

Masala

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WANT TO KNOW MORE? WRITE TO US AT:
malicacidgroup@thirumalaichemicals.com

Board of Directors

Dr. S. Rama Iyer (Chairman)
Mr. R. Parthasarathy (Managing Director)
Mr. P. Shankar
Mr. A. Janakiraman
Mr. N. Subramanian
Mr. Raj Kataria
Mr. R. Ravi Shankar
Mr. Dhruv Moondhra
Mr. R. Sampath
Mr. S. Santhanam
Mrs. Ramya Bharathram (Whole-time Director)

Chief Executive Officer

Mr. C.G. Sethuram

Chief Financial Officer

Mr. N. Nambi Rajan

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
- Bank of Baroda
- Export-Import Bank of India

Auditors

M/s. CNK & Associates LLP
Chartered Accountants, Mumbai.

Internal Auditors

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

M/s ANEJA ASSOCIATES
Chartered Accountants, Mumbai

Cost Auditor

Mr. G. Sundaresan, Chennai.

Registered Office

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

Tel. : 022-24017841, 43686225,
Fax : 022-24011699
E-mail : thirumalai@thirumalaichemicals.com
Website : <http://www.thirumalaichemicals.com>
CIN : L24100MH1972PLC016149

Registrar & Share Transfer Agents

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

Factory

25-A, SIPCOT Industrial Complex,
Ranipet, Vellore District, Tamilnadu
Tel. : 04172-244327
Fax : 04172-244308
E-mail : mail@thirumalaichemicals.com

42nd Annual General Meeting
Date & Time

Monday, August 03, 2015 at 2.30 p.m.

Venue

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

Book closure

Tuesday, July 28, 2015 to Monday,
August 03, 2015 (both days inclusive)

Contents
Page No.

AGM Notice	2
Directors' Report, Management Discussions & Analysis	8
Corporate Governance Report	16
Auditors' Report on Corporate Governance	24
Extract of Annual Return	25
Secretarial Auditors' Report	32
Auditors' Report (Standalone)	34
Balance Sheet (Standalone)	36
Profit and Loss Statement (Standalone)	37
Cash Flow Statement (Standalone)	38
Notes to Financial Statements (Standalone)	39
Auditors' Report (Consolidated)	60
Balance Sheet (Consolidated)	62
Profit and Loss Statement (Consolidated)	63
Cash Flow Statement (Consolidated)	64
Notes to Financial Statements (Consolidated)	65

NOTICE

NOTICE is hereby given that the **FORTY SECOND 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 Monday, August 03, 2015 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended March 31, 2015 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare dividend for the financial year ended March 31, 2015.
3. To appoint a Director in place of Mr.R.Sampath, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors for the financial year 2015-2016 and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution.

"Resolved that pursuant to the provisions of Section 152 and 160 of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Ramya Bharathram (holding DIN 06367352) be and is hereby appointed as a Director of the Company, whose office is liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special resolution.

"RESOLVED THAT pursuant to the section 196 of the Companies Act, 2013 and other applicable provisions of the Act and Articles of Association of the Company, Mrs. Ramya Bharathram (DIN 06367352), Director, be and is hereby appointed as a Whole-time Director of the Company under section 196 of the Companies Act, 2013 with effect from 03.11.2014 for a period of three years and is liable to retire by rotation, upon remuneration and benefits as detailed below and be designated as "**Executive Director**".

Remuneration:

For the period 3-11-2014 to 31-3-2015:

- 1) Basic Salary starting at Rs.23.75 Lakhs per annum for the period 3-11-2014 to 31-3-2015.
- 2) Company's contributions to PF, Gratuity, Superannuation Fund, Encashment of Leave and Insurance as per Rules. These shall not be included in the computation of limits/restrictions for remuneration or perquisites as prescribed aforesaid under section II of part II of schedule V of the Companies Act, 2013 and Mrs. Ramya Bharathram shall be entitled to the same.
- 3) Allowances and Benefits: including HRA, LTA, CCA, other medical benefits and allowances, Travel or Car allowances, and other Allowances and Benefits, up to and not to exceed 50 percent of the Annual Basic salary, as above.

- 4) Performance Incentives, not exceeding 40 percent of the Annual Basic salary, of the relevant year for which eligible.

For the period 1-4-2015 to 2-11-2017:

- 1) Basic Salary starting at Rs.3 Lakhs per month for the financial year 1-4-2015 to 31-3-2016 with an annual increment up to 20% of Basic Salary, as may be decided by the Board based on performance.
- 2) Company's contributions to PF, Gratuity, Superannuation Fund, Encashment of Leave, and Insurance as per Rules. These shall not be included in the computation of limits/restrictions for remuneration or perquisites as prescribed aforesaid under section II of part II of the schedule V of the Companies Act, 2013 and Mrs. Ramya Bharathram shall be entitled to the same.
- 3) Allowances and Benefits: including HRA, LTA, CCA, medical benefits and allowances, Travel or Car allowances, and other Allowances and Benefits, up to and not to exceed 100% percent of the Annual Basic salary, as above.
- 4) Commission up to 2% of net profits of the company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013, but subject to the Annual Basic salary of the relevant year for which she is eligible and paid, as defined in item 1 above. The actual percentage of commission will be decided by the Board, for each financial year on completion.

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

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

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

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

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in partial modification of the resolution of the members passed in the Annual General Meeting held on 5-7-2013, and in terms of the provisions of section 196 and other applicable provisions of Companies Act, 2013 (including any amendment/modification thereof), the remuneration of Mr. R. Parthasarathy (DIN: 00092172), Vice-Chairman and Managing Director of the company be revised as follows with effect from 1-4-2015 till 31-7-2016:

- i) Basic Salary Rs.9 Lakhs per month (with an annual increment of Rs.1 Lakh in April of each year).
- ii) Allowances and Benefits: including HRA, LTA, CCA, other medical benefits and allowances, Travel or Car allowances, and other Allowances and Benefits, up to and not to exceed 50% percent of the Annual Basic salary, as above
- iii) Commission up to 3 % of net profits of the Company as computed under Section 198 of the Companies Act, 2013.
- iv) In addition to the above remuneration, Mr. R. Parthasarathy shall be entitled to Company's contribution to Provident Fund and Superannuation Fund, applicable as per rules/norms, or payments made in lieu of such contributions; Gratuity payment at the end of tenure and encashment of leave as per rules of the Company. These shall not be included in the computation of limits/restrictions for remuneration or perquisites as prescribed aforesaid under section II of part II of the schedule V of the Companies Act, 2013 and Mr. R. Parthasarathy shall be entitled to the same.

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

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

FURTHER RESOLVED THAT the above modification in the terms of appointment of Mr. R. Parthasarathy shall be subject to the approval of the Shareholders of the company by way of special resolution.

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

8. To ratify the remuneration of Cost Auditor for the year 2015-16 by passing the following resolution, with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT subject to approval as may be required from the Central Government the appointment of Mr. G. Sundaresan, Cost Accountant, as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for the Financial Year 2015-16 for a remuneration of Rs.25,000/- in addition to reimbursement of out of pocket expenses, be and is hereby ratified.”

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, July 28, 2015 to Monday, August 03, 2015 (both days inclusive) for the purpose of Annual General Meeting and for determining members eligible for dividend, if declared by the shareholders.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.
4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
5. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend, if any, up to the financial year 2006-2007 to the Investor Education and Protection Fund (The IEPF) established by the Central Government. Likewise, Debentures/Fixed Deposits repayment warrants/interest warrants which remain unclaimed /unpaid for a period of 7 years from the dates they first became due for payment have been transferred to the Investor Education and Protection Fund. All persons are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
6. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointments/re-appointments.
7. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for 2014-15 are being sent in the permitted mode.

8. Electronic copy of the Notice of the 42nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy. Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Notice of the 42nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
9. Members may also note that the Notice of the 42nd Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.thirumalaichemicals.com for their download.
10. Members desiring any clarification on accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
11. The Equity shares of the Company are mandated for trading in the compulsory demat mode. The ISIN No. allotted for the Company's shares is INE338A01016.
12. Members / Proxies are requested to bring attendance-Slip along with their copy of Annual Report to the Meeting.
13. Voting through electronic means
1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 42nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on July 30, 2015 at 10.00 a.m. (IST) and ends on August 02, 2015 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 27, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on August 02, 2015.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Company Name <THIRUMALAI CHEMICALS LIMITED> to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

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

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

II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.

III. Mr. Manoj Mimani, Practicing Company Secretary (Membership No. 17083) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

IV. The Scrutinizer shall within a period not exceeding three days from the conclusion of the AGM, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

V. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.thirumalaichemicals.com and on the website of CDSL and communicated to the Stock Exchanges, where the shares are listed.

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

II. DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES: (Item No. 3)

Mr.R.Sampath is a B.Sc and also a BS in Chemical Engineering, USA. He is the Chairman & Managing Director of Ultramarines & Pigments Ltd which is one of the promoters of the Company. He has 40 years of experience in the US and India, in business operation and management. He is holding 4,81,737 equity shares of the company.

III. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM No.5

Mrs. Ramya Bharathram was appointed as an Additional Director of the company with effect from 3-11-2014 by the Board of Directors of the company under section 161 of the companies Act, 2013. Accordingly she holds office as Director till the conclusion the ensuing Annual General Meeting.

Notice has been received from a member together with deposit of Rs.1 lakh proposing her name for election of Director as per the provisions of section 160 of the Companies Act, 2013.

Detailed Note on Mrs. Ramya Bharathram’s suitability and experience is given under Item No. 6.

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

Mrs. Ramya Bharathram and Mr. R. Sampath, Director and being a relative, are interested in the resolution set out at Item No. 5 of the Notice. The other relatives of Mrs. Ramya Bharathram may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

ITEM NO. 6

Mrs. Ramya Bharathram, whole-time Director of our company, is presently heading the Speciality Chemicals Businesses and handling corporate matters for the Company. She is 43 years. She has been working in this role, for the last four years and is having 16 years of experience in Marketing, Business Management, new Business Development, Customs & Excise and Trade defence and Accounts.

She worked with M/s Lakshmi Kumaran & Sridharan, a leading Law firm, at Delhi, where she specialized in Direct Taxation, and in Trade, Antidumping & Safeguard matters and cases (1996 – 2000).

She has worked in M/s Deloitte and Touché Delhi, for 2 years (2000 – 2002).

In 2006, she attended programmes at IMD, Switzerland and at the Kellogg School of Management, Chicago, after working in sponsored projects.

From 2006 till 2008, she worked part-time in market research and evaluation of New Business projects, in Retailing, Serviced Apartments, and in Speciality Chemicals. She joined Thirumalai Chemicals Ltd. in April 2008. She started working in new projects, and thereafter was tasked to head the Chemidye and Food Ingredients divisions. She played a key role in making them profitable and has grown them substantially in Revenues and Profits.

Since August / September 2014, she has moved to Corporate Strategy, Policy development and review functions, new projects, and continues to oversee the Food Ingredients Businesses.

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

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

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

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

ITEM NO. 7

The shareholders of the Company at their Annual General Meeting held on July 05, 2013 had appointed Mr. R. Parthasarathy as Vice-Chairman and Managing Director of the Company for a period of 3 years w.e.f. August 01, 2013 to July 31, 2016.

In accordance with Schedule XIII of the Companies Act, 1956, the shareholders of the Company at their 40th Annual General Meeting held on July 05, 2013 had approved the payment of remuneration including minimum remuneration payable in case of inadequacy of profits or no profits, for a period 3 years from August 01, 2013.

The new Companies Act, 2013 under schedule V set revised limits for remuneration, which can be paid to the managerial personnel of the Company in case of inadequacy of profits or no profits and now, it is proposed to seek a fresh approval from you for payment of minimum remuneration as permissible under Section II of Part II of Schedule V of the Companies Act, 2013, to Mr. R. Parthasarathy, Vice-Chairman and Managing Director, from April 1, 2015 till the expiry of his term i.e. July 31, 2016.

The special resolution as set out against item no. 7 was approved by the Nomination & Remuneration Committee and the Board at their respective meetings held on May 06, 2015.

The basic salary is derived from the previous approval made at the AGM held on July 05, 2013.

Mr.R.Parthasarathy is holding 2,72,350 equity shares of the company.

The Board recommends the resolution for your approval.

Mr. R. Parthasarathy and Mr. R. Sampath, Director and being a relative, are interested in the resolution set out at Item No. 7 of the Notice. The other relatives of Mr. R. Parthasarathy may be deemed to be interested in the resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

ITEM No. 8

To ratify remuneration of Cost Auditor:

The Board at its meeting held on May 06, 2015, as recommended by the Audit Committee, appointed Mr. G. Sundaresan, Cost Accountant, as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for the Financial Year 2015-16 for a remuneration of Rs.25,000/- in addition to reimbursement of out of pocket expenses.

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

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

The Board of Directors recommends the resolution for your approval.

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

ITEM NO. 6

I. General Information

- (1) Nature of Industry: The Company is into manufacture of Phthalic Anhydride, Maleic Anhydride, Food Acids and Esters.
- (2) Date or expected date of commencement of commercial production: The Company commenced operations in the year 1974.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- (4) Financial performance based on given indicators: The financial performance of the Company is mentioned in the Director's Report.
- (5) Export performance and net foreign exchange collaborations: The FOB value of exports during the year 2014-2015 is Rs.105.49 lakhs and the Company do not have any foreign collaboration.
- (6) Foreign investments or collaborations, if any: US\$ 6.50Mn

II. Information about the appointee(s)

(1) Background details

Mrs. Ramya Bharathram, is presently heading the Speciality Chemicals Businesses and handling Corporate matters for the Company. She is 43 years. She is a commerce graduate and completed intermediate in Chartered Accountancy. She has exposure in legal and finance.

She is having 16 years of experience in Marketing, Business Management, new Business Development, Customs & Excise and Trade defence and Accounts. She has been working with the company for the last four years and has contributed in the turnaround of business during the time of slack in business cycle.

2) Past Remuneration (for the last three years)

Rs.in lakhs

Year	Amount	Year	Amount	Year	Amount
2014-15	Rs.54.90*	2013-14	Rs.24.29	2012-13	Rs.16.02

* Whole-time Director from November 03, 2014 and includes Rs.38.91 drawn as Whole-time Director.

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

(3) Recognition or Awards: Nil

(4) Job profile and suitability

Mrs. Ramya Bharathram has considerable knowledge and experience in the Chemical Industry with an established marketing knowledge which is compatible with the Organizational requirements and had demonstrated her leadership ability while discharging her responsibility.

(5) Remuneration proposed:

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

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

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

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

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

III. Other information

- (1) Reasons of loss or inadequate profit: There is no inadequacy of profit for the financial year 2014-15.
- (2) Steps taken or proposed to be taken for improvement: Increased sales margins, cost control & reduction, focus on working capital and interest management.
- (3) Expected increase in productivity and profits in measurable terms: Productivity and profits are expected to increase in the coming years.

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

ITEM NO. 7

I. General Information

- (1) Nature of Industry: The Company is into manufacture of Phthalic Anhydride, Maleic Anhydride, Food Acids and Esters.
- (2) Date or expected date of commencement of commercial production: The Company commenced operations in the year 1974.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- (4) Financial performance based on given indicators: The financial performance of the Company is mentioned in the Director's Report.
- (5) Export performance and net foreign exchange collaborations: The FOB value of exports during the year 2014-2015 is Rs.105.49 lakhs and the Company do not have any foreign collaboration.
- (6) Foreign investments or collaborations, if any: US\$ 6.50Mn

II. Information about the appointee(s)

(1) Background details

Mr. R. Parthasarathy has over 40 years of experience spanning different areas including Projects, Manufacturing, R&D, Technical know-how, foreign collaborations, licensing etc. He is an Engineer from I.I.T. Mumbai and from the USA. During his career, he has contributed immensely to the growth and entry into new businesses by Thirumalai Chemicals Limited. He is considered an authority on matters concerning our businesses, and has extensive management experience in India and overseas, as well as in Government and Regulatory affairs relating to the Chemical Industry. He has been President of the Indian Chemical Council. He is also actively involved in various charitable activities, educational institutions, rural development programs, etc.

- 2) Past Remuneration (for the last three years)

Rs.in lakhs

Year	Amount	Year	Amount	Year	Amount
2014-15	Rs.97.71	2013-14	Rs.158.95	2012-13	Rs.235.96

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

- (3) Recognition or Awards: Nil

- (4) Job profile and suitability

Mr. R.Parthasarathy has considerable knowledge and experience in the Chemical Industry which is compatible with the Organizational requirements and the Company would definitely benefit under his leadership and valuable guidance.

- (5) Remuneration proposed:

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

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

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

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

Mr.R.Parthasarathy is a relative of Mr. R. Sampath , Director of the Company, who may be deemed to be interested in the resolution relating to the appointment of Mr. R.Parthasarathy as Vice-Chairman & Managing Director.

III. Other information

- (1) Reasons of loss or inadequate profit: There is no inadequacy of profit for the financial year 2014-15.
- (2) Steps taken or proposed to be taken for improvement: Increased sales margins, cost control & reduction, focus on working capital and interest management
- (3) Expected increase in productivity and profits in measurable terms: Productivity and profits are expected to increase in the coming years

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.
CIN : L24100MH1972PLC016149
May 06, 2015

DIRECTORS' REPORT, MANAGEMENT DISCUSSIONS & ANALYSIS

To

The Members

Thirumalai Chemicals Ltd.

Your Directors present the 42nd (Forty Second) Annual Report and Audited Statement of the Company for the year ended March 31, 2015. The Management Discussion and Analysis has also been incorporated into this report.

(Rs. in crore)

Standalone Financial Results	Year ended 31.03.2015	Year ended 31.03.2014
Revenue from Operations	925.35	1033.44
Income from Windmill Operations	1.20	1.37
Other Income	15.13	15.84
Total Revenue	941.68	1050.65
Gross Profit / (Loss) before interest and Finance Charges and Depreciation	59.65	61.07
Less : Interest and Finance Charges	33.11	45.42
Profit / (Loss) before Depreciation and Tax	26.54	15.65
Depreciation	7.00	12.21
Profit / (Loss) before Tax	19.54	3.44
Provision for Tax	5.48	2.60
Profit / (Loss) after Tax	14.05	0.84
Add : Provision for Deferred Tax	0.15	2.73
Profit / (Loss) after Tax	14.20	3.57
Balance in Profit & Loss Account	59.78	56.21
Less : Depreciation Adjustment	2.28	0
Add : Profit for the year	14.20	3.57
Profit available for appropriation	71.71	59.78
APPROPRIATIONS		
Dividend	4.10	-
Tax on Dividend	0.83	-
General Reserve	-	-
Balance carried forward	66.78	59.78

On a Revenue from operations of **Rs.926.55 cr** (Previous Year: Rs.1,034.81 cr) including Export earning on FOB basis of **Rs.105.49 cr** (Previous Year: Rs.71.87 cr) and Income from Windmill of **Rs.1.20 cr** (Previous Year: Rs.1.37 cr), and Other Income of **Rs.15.13 cr** (Previous Year: Rs.15.84 cr), the Gross Profit of the Company amounted to **Rs.59.65 cr** (Previous Year: Rs.61.07 cr). After providing for Interest & Finance charges, and Depreciation, the Profit after Tax is **Rs.14.20 cr** (Previous Year: Rs.3.57 cr).

Dividend

The Directors are pleased to recommend a final dividend of Rs.4/- per share (40% on the face value of Rs. 10/-) ; excluding the Tax on Dividends, this will absorb **Rs. 4.93 cr** (previous year nil).

Subsidiaries

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

The Performance, Plans and Prospects of your Company are given below.

Overview

The Chemical Industry had a difficult year in 2014-15, with a sharp drop in oil and petrochemicals prices, inventory losses, and a general slowdown in our markets. As a result of sustained efforts to improve efficiencies in energy, working capital and finance costs, your Company has come through these difficult times as a much leaner organization. This allowed us to capitalize on the improvement in markets in the 4th Quarter, and enabled us to post a profit for that quarter, and overall for the year.

This, along with improved working capital management resulted in good cash flows and helped your Company reduce its borrowings significantly.

The Government's "Make in India" focus, reduced interest rates and the decreasing inflation are expected to revive the Construction and Housing sectors, and the demand for consumer products. In addition to our ongoing efficiency drive, we expect that the direction taken by Government policies will help us improve our operations and grow.

Your Company's Businesses:

Phthalic Anhydride (PA)

As mentioned earlier, the sudden and steep fall in crude prices hurt margins badly. In the first three Quarters of the year, these low margins and our inventory losses affected the bottom line. Your management and operating teams have been working intensely on correcting the supply chain anomalies, and in technology and operational improvement programs.

With the PA markets stabilizing in Q4, we were able to improve margins and volumes. Your Company's efforts to correct Inverted Duties between our Raw materials and our Products have been partially successful. We continue to work with various Ministries in this, and to ensure that the dumping of Phthalic Anhydride from Eastern Europe and the Far East is reduced.

PA Derivatives and Food Ingredients:

Your Company's Derivatives and Food ingredients businesses performed excellently; we were able to develop a large number of new applications, new customers and markets, and improve margins in spite of slowdown in our European markets. They helped us add value to our products and mitigate the cyclicity in the PA business.

Finance & Cash Flow:

Your Company generated significant Cash Flow in 2014-15, and enabled us to reduce debts aggressively. Our total borrowings during the year have come down to Rs 67.96 cr from Rs 134.86 at the end of FY13-14. This is a result of an active credit and working capital policy, which started 3 years ago, when our debt was at Rs 214.71 Cr. Worthy of note is that this reduction was effected in a year where we faced difficult market conditions.

Environment:

This year, we took up new initiatives in

- Improving Energy and Water consumption,
- Better Environmental Management & Safety systems.

Members can take pride in the fact that in technology and operational improvement programs, your Company has been far ahead of all Industry norms and Government standards, and has set Industry excellence benchmarks, in our Energy consumption and our Environmental performance. Over 90% of the energy consumed comes from Waste Heat from our processes, and we are a Zero Effluent Discharge facility for 10 years.

We are respected as a Model neighbour in our location. We enjoy cordial relations with our community, and with the Local Bodies and Government Agencies.

Overseas Subsidiary: Optimistic Organic Sdn. Bhd., (OOSB), Malaysia

In the previous two years since OOSB was fully acquired by TCL, it has performed well, with significant Cash Flows and good profits. It has started paying back the loans that TCL made, with interest.

In 2014-15, the subsidiary undertook a new project to enhance capacity to over 40,000 Tons/year, funded largely with internal cash flows. This involved the addition and replacement of many equipments, and as a result, required that the plant be shutdown often. Additionally, there were floods in Eastern Malaysia which had interrupted operations for nearly two months.

Due to these planned and unplanned interruptions, the subsidiary suffered some losses. The Foreign Exchange restatement on the term debts resulted in further losses. In spite of this, OOSB made a cash profit, with positive cash flows, and a turnover of USD 27 million. After tax, the subsidiary registered a loss of USD 3.65 million.

We are happy to report that the expanded plant is now operational. OOSB has started selling increased quantities of MA, and expects to reach higher capacity, and profitable operations in the current year.

Strategic Plans for Future

After the turnaround in Q4, and with our increase in efficiency, your Company is now ready to exploit growth opportunities in PA and in Speciality Chemicals.

With the expansion in our Malaysian subsidiary, the Company is now positioned for significant growth in the Maleic Anhydride and Derivatives business. We are actively exploring strategic options to use this position in ways that will augment our offerings to the market.

Management team

The executive management of the company has put in great efforts to improve performance and profitability.

This year, your Board decided to induct Ms. Ramya Bharathram as a Whole time Director. Over the past six years, she has led the turnaround and profitability of the PA Derivatives and Food Ingredients businesses. Ms. Bharathram has past experience in a prominent Delhi law firm and in consultancy in Taxation and Trade Law.

At the Board Level:

Last year, we had informed you of various changes in the makeup of the Board of your Company in our report. The Directors and the Committees have been actively involved in monitoring and improving the management of the company. They have brought in a full range of expertise and experience, and have mentored and supported the executive management teams in key policy areas.

During the year, your Company held four Board Meetings and four Audit Committee Meetings. The intervening gaps between the Meetings was within the period prescribed under the Companies Act, 2013.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The details of familiarisation programmes to the Independent Directors has been disclosed on the company's website <http://www.thirumalaichemicals.com>

Board Committees:

The **Audit Committee** had a number of formal meetings and internal interactions with the management team to review the Accounts, Finances and Compliances of the Company, and to ensure better reporting and financial performance.

Compliance and Governance have received special attention especially considering the requirements of a petrochemical operation and the complexities of the new Companies Act. We are happy to report to you that these are of a high order.

The Audits and Reviews of the Company Accounts, Transactions, Systems and Compliances have been regular and thorough. Wherever necessary, experts have been brought in to advise and support the Committees and Management teams.

The **Business Review Committee** has had regular meetings to review the business plans, the Quarterly performance and corrections planned. Its inputs have played a key role in vital areas of business management.

The **Nomination and Remuneration** and the **Corporate Social Responsibility** Committees have been active in their respective roles.

Please look at the Corporate Governance Report for more details of these Committees.

Social Responsibility:

Most of the employees and contract staff of your Company come from the Vellore district. To support the development of the communities we operate in, the Founders of your Company had initiated many programmes delivered through the Thirumalai Charity Trust (TCT) and the Akshaya Vidya Trust (AVT).

The TCT, set up in 1970, works in 350 villages in Vellore district, providing services in Community Healthcare, Women's Empowerment, Disability, De-addiction, and Village development.

Since 2010, the Trust operates the Thirumalai Mission Hospital, which provides Secondary and Specialized Healthcare, with a special focus on the Health of Women in the community, and on life style diseases such as Diabetes, Osteoporosis, and Alcoholism.

The Akshaya Vidya Trust runs 3 Schools in the district. The Vedavali Vidyalaya schools educate 2,600 students, 70% of whom are from rural families.

The performance of these trusts is reviewed periodically by the CSR Committee, and the community benefits greatly from their work.

Corporate Social Responsibility (CSR) Committee

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

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress;

The Company's total spending on CSR activities towards Health and Education Programmes is Rs.3,000,000 which amounts to 1.78% of the average net profit made during the three previous financial years. The shortfall in spending was due to adverse business condition faced by the company in the third quarter of the Financial Year 2014-15. The company plans to contribute more towards CSR activities in the coming years.

The Annual Report on CSR activities is annexed herewith as Annexure A to the Directors' Report.

Employees:

Employees at all levels have performed well. On your behalf, we sincerely thank all our staff for their hard work & commitment to your Company.

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

Industrial Relations

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

Financial and Operating Performance:

Your company achieved a Net profit of **Rs.14.20 cr** compared to Net profit of Rs.3.57 cr in the previous year.

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. Your Company is also regular in meeting its commitments to its depositors. **There is no fixed deposit remaining with the company as on March 31, 2015.** Deposits aggregating Rs. 6.39 lakhs due for repayment on or before March 31, 2015 were not claimed by the depositors as on that date.

Contribution to the Exchequer :

The amounts paid to the Central and State Exchequer by way of Excise Duty, Sales Tax, Customs duties (incl. paid to supplier), Income Tax , etc ., is about Rs. **129.83 cr** on Net Sales of about **Rs.920.11 cr**. Contribution to the Exchequer is about 14.11% of your Company's Sales.

Exports:

Calculated on FOB basis, Exports amounted to **Rs.105.49 cr**.

Particulars of loans, guarantees or investments

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

Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related

parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

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

Current Year Business:

Our business operations continue to be positive since the last Quarter of the previous year. While there are risks and concerns ahead, especially with the forecast of Economic weakness in China & Europe, we expect these to be overcome by improvement in our internal operations.

Plans for FY 2015-16:

The Management team has set itself the following tasks:

1. Continue with reduction in Fixed Cost, Interest and Energy Costs.
2. Improve Gross Margin on all products.
3. Address price and volume volatility.
4. Evaluate various growth options and start implementation.

Directors' Responsibility Statement:

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

- 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 to maintain adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) the directors have prepared the annual accounts on a going concern basis.
- v) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Business Risk Management

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

Sl. No.	Name of member	Category
1	Mr. Dhruv Moondhra (DIN: 00151532)	Independent Director
2	Mr. R. Parthasarathy (DIN: 00092172)	Managing Director
3	Mrs. Ramya Bharathram (DIN: 06367352)	Whole-time Director
4	Mr. C.G.Sethuram	Chief Executive Officer
5	Mr. P.M.C. Nair	President (Manufacturing)
6	Mr. N. Nambi Rajan	Chief Financial Officer

The objectives and scope of the Risk Management Committee broadly comprise:

1. Identify the current and potential Business and Operational risks and their levels of criticality to the Company, on an ongoing basis.
2. Review and monitor the effectiveness of risk management, and mitigation functions, systems and effectiveness, throughout the organization.
3. Ensure that infrastructure, resources and systems and monitoring, are in place for risk management and are adequate to maintain a satisfactory level of risk management.
4. Monitor the independence and performance of risk management functions throughout the organization.
5. Review the strategies, policies, frameworks, models and procedures that lead to the identification, measurement, reporting and mitigation of material risks.
6. Review Risk and Risk Management issues raised by Internal Audit, and the actions taken.
7. Report to the Board on the functioning and effectiveness of the above on a regular basis.
8. Any other matter assigned by the Audit Committee and /or the Board

The company emphasizes on those risks that threaten the achievement of business objectives over the short to medium term. The company continues to strengthen its responses to such risks through proactive and reactive risk mitigations.

Vigil Mechanism / Whistle Blower Mechanism

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

Statement pursuant to Listing Agreement

Your Company's shares are listed with the National Stock Exchange of India Ltd. and the BSE Ltd. We have paid the respective annual listing fees 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.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors,

covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15.

No of complaints received: Nil

No of complaints disposed off: NA

Auditors

M/s. CNK & Associates LLP, Chartered Accountants, Statutory Auditors of our Company hold office until the conclusion of the ensuing AGM. The notice convening the AGM is self-explanatory. Members are requested to appoint M/s. CNK & Associates LLP, Chartered Accountants, as Auditors for the Current Year.

Cost Auditors

Mr.G.Sundaresan, Cost Accountant, was appointed as Cost Auditor to conduct cost audit of the cost records maintained by our Company in respect of products manufactured during the financial year 2014-15. Cost Compliance and Cost Audit Reports were filed with MCA, Govt. of India, by the Cost Auditor on August 12, 2014 and August 14, 2014 respectively, well before Sept.30, 2014, the due date of filing for the financial year 2013-14."

Secretarial Auditor

The Board has appointed M/s. R. M. Mimani & Associates LLP, Company Secretaries, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is attached to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Extract of Annual Return

Extract of Annual Return of the Company for the year ended March 31, 2015 is attached to this Report.

Personnel

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

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

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

Name of Director Ratio

1. Mr. R. Parthasarathy (Managing Director) 37:1
2. Mrs. Ramya Bharathram (Whole-time Director) 15:1

For this purpose, Sitting fees paid to the Directors have not been considered as remuneration.

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

Mr. R. Parthasarathy – (Managing Director)	: (39%)
Mr. N. Nambi Rajan – (Chief Financial Officer)	: 13%
Mr. T. Rajagopalan – (Company Secretary)	: 18%

- c) The percentage increase in the median remuneration of employees in the financial year: **19%**
- d) The number of permanent employees on the rolls of company: **400**
- e) The explanation on the relationship between average increase in remuneration and company performance:
The Company's PAT has grown from Rs.3.56 cr to Rs. 14.20 cr, an increase of 298% against which the average increase in remuneration is **4%**; and this increase is aligned with the Compensation Policy of the Company.

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

Name	Designation	CTC* in Rs.	% Increase In CTC	PAT Rs. in cr	% Increase in PAT
Mr. R. Parthasarathy	Managing Director	97,71,732	(39)	14.20	298
Mr. N. Nambi Rajan	Chief Financial Officer	35,72,669	13		
Mr. T.Rajagopalan	Company Secretary	17,37,669	18		

*It consists of Salary/Allowance & Benefits.

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

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

Date	Issued Capital (No. of Shares)	Closing Market Price per share Rs.	EPS in Rs.	PE Ratio	Market Capitalisation (Rs. in cr)
31.03.2014	10238812	88.70	3.48	25.49	90.82
31.03.2015	10238812	82.75	13.87	5.97	84.73
Increase/(Decrease)	Nil	(5.95)	10.39	(19.52)	(6.09)
% of Increase/(Decrease)	NA	(6.71)	298.56	(76.58)	(6.71)
Issue Price of the share at the last Public Offer (IPO)		10			
Increase in market price as on 31.03.2015 as compared to Issue Price of IPO		82.75			
Increase in %		727.50			

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

Average increase / (decrease) in remuneration is **4%** for Employees other than Managerial Personnel & **(27%)** for Managerial Personnel (KMP and Senior Management)

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

Except for Mr.R.Parthasarathy, the Managing Director and Mrs. Ramya Bharathram, Whole-time Director, no directors have been paid any remuneration other than sitting fees. Both have not been paid any variable remuneration.

- j) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: **1:1.43**

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

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

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

Cautionary Statement

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

Acknowledgements

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

For and on behalf of the Board of Directors

Chennai
6th May 2015

R. Parthasarathy
Managing Director
(DIN:00092172)

R. Ravi Shankar
Independent Director
(DIN : 01224361)

ANNEXURE TO DIRECTORS' REPORT

(Rs. in crore)

CONSOLIDATED FINANCIAL RESULTS	Year ended 31.03.2015	Year ended 31.3.2014
Revenue from operations	1071.06	1274.87
Income from Windmill Operation	1.20	1.37
Other Income	8.15	4.64
Gross Profit / (Loss) before Interest and Finance Charges and Depreciation	45.73	86.40
Interest and Finance charges	34.71	48.54
Profit / (Loss) before Depreciation and Tax	11.02	37.87
Depreciation	17.83	22.99
Profit / (Loss) before Tax	(6.80)	14.87
Provision for Tax	(8.69)	(3.84)
Profit / (Loss) after Tax	(15.50)	11.04
Add : Provision for Deferred Tax	1.77	0.83
Profit / (Loss) after Tax	(13.72)	11.87
Balance in Profit & Loss Account	79.67	67.80
Less : Adjustments related to Depreciation	2.28	0
Add : Profit / (Loss) for the year	(13.72)	11.87
Profit available for appropriation	63.67	79.67

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES FOR THE YEAR ENDED 31st MARCH, 2015

S. No	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserve	Total Liabilities	Investment other than investment in Subsidiary	Turnover	Profit / (loss) before Taxation	Profit / (loss) after Taxation	Proposed Dividend
1.	Tarderiv International Pte Ltd	USD	60.8	304	425	4,816	-	185	100	94	-
2.	Cheminvest Pte Ltd	USD	60.8	245	(117)	5,303	-	195	2	(3)	-
3.	Optimistic Organic Sdn Bhd	RM	18.27	1,827	4,343	19,401	-	17,989	(2,319)	(2,468)	-

Annexure A

Reporting of Corporate Social Responsibility (CSR)

1. *Period for which CSR is being reported: From 01/04/2014 To 31/03/2015
2. (a) *Whether information includes information about subsidiary company(s): No
(b) If yeas, then indicate number of such subsidiary company(s): NA
3. (a) *Whether information includes information about any other entity(s): No
(e.g. supplies, value chain etc.)
(b) If yes, then indicate number of such entity(s): NA
4. (a) *Does the company have a written CSR policy: Yes
(b) Brief contents of the CSR policy: The areas of principal support of the CSR policy are towards Education, Health, Women Empowerment and Community development services. The full policy is available in the company website <http://www.thirumalaichemicals.com>
5. The Composition of the CSR Committee:

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

6. Average net profit of the company for last three financial years: Rs.168,606,156
7. Prescribed CSR Expenditure (two per cent. off the amount as in item 6 above): Rs.3,372,123.

8. Details of CSR spent during the financial year.
- (a) Total amount to be spent for the financial year: Rs.3,000,000
- (b) Amount unspent, if any: Rs.372,123
- (c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise (Rs. in lakhs)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (Rs.in lakhs)	Cumulative Expenditure up to the reporting period i.e. FY 2014 - 2015 (Rs.in lakhs)	Amount Spent Direct or through Implementing Agency
1.	Health	Primary and Secondary Health Care	Vellore District, Tamil Nadu	30.00	30.00	80.00	Thirumalai Charity Trust

9. The shortfall in spending was due to adverse business condition faced by the company in the third quarter of the Financial Year 2014-15.
10. RESPONSIBILITY STATEMENT: The CSR Committee confirmed that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-
Mr. R. Sampath
Director

Sd/-
Mr. P. Shankar
Chairman, CSR Committee

Annexure B

Statement of particulars under Section 197(12) of the of the Companies Act, 2013 read with the Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31,2015 and forming part of the Directors' Report -- employed part of*/throughout the financial year.

Sl. No	Name	Designation	Qualification(S)	Age in Years	Date Of Commencement Of Employment	Total Experience in Years	Nature Of Employment, Whether Contractual Or Otherwise	Nature Of Duties Of The Employee	Gross Remuneration Rs. in crore	Previous Employment / Designation
1.	Mr. C. G.Sethuram	Chief Executive Officer	B.Tech PGDM	59	12 th August 2013	36	Contractual	General Management	1.40	ED (emerging business), Archean Group
2.	Mr.S.V.S.Ramaraju*	President	B.Tech Chem Eng	55	11 th August 2014	32	Contractual	General Management	0.40	President-Operations Nagarjuna Agrichem Ltd

Annexure C

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report.

CONSERVATION OF ENERGY:

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

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

Fuel Consumption		Units	Year Ending 2014 – 2015	Year Ending 2013 - 2014
1	Electricity			
a)	Purchased Units	KWHR	3,088,690	3,678,641
	Total Amount Paid	RS.	28,321,013	32,202,068
	Rate per Unit	RS.	9.17	8.75
b)	Own Generation	KWHR	1,055,373	2,733,422
	Unit / Ltr of HSD	KWHR/LTR	2.43	2.87
	Cost per Unit	RS	19.84	21.39
2	Coal : Not consumed in the process	KWHR	Nil	Nil
3	Furnace Oil			
	Total Quantity	KL	3,923	4,557
	Total Amount	RS	142,045,906	188,873,080
	Average Rate	RS	36,211	41,448
4	Other Internal Generations	KWHR	19,792,803	17,815,963
5	Consumption Per Tonne of Production			
	Electricity	KWHR	27.97	36.40
	Furnace Oil	Ltr	35.52	45.09
	Others (Diesel)	Ltr	3.93	9.42

II. Technology Absorption, Adaptation and Innovation.
Research and Development

- 1) Specific Areas in which R & D activities carried out by our 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) 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) Reduced utilization of Raw materials in Fine Chemical Plants.
 - d) Significant Energy and other Cost 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

Particulars	2014-15	2013-14
a) Capital	NIL	NIL
b) Recurring	Rs.1.24 crore	Rs. 1.16 crore
c) Total	Rs.1.24 crore	Rs. 1.16 crore
Total R&D expenditure as a % of sales,	0.13%	0.11%

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.
Please refer Class 2 above
- c) Improvement in the quality of the products, increased productivity and reduced cost of production in all products.
Continuous Process
- d) Particulars of Technology imported during the last 5 Years: **None.**
- e) Techno-commercial studies of fine chemicals
Continuous Process
- f) Food acidulants- awareness to customers, technical services to users of our products.
Continuous Process

III) Foreign Exchange Earning and Outgo

	2014-15	2013-14
Export earnings	Rs. 110.04 crore	(Rs. 77.62 crore)
Outgo	Rs. 3.56 crore	(Rs. 3.04 crore)

For and on behalf of the Board of Directors

Chennai,
6th May 2015

R. Parthasarathy
Managing Director
(DIN:00092172)

R. Ravi Shankar
Independent Director
(DIN : 01224361)

CORPORATE GOVERNANCE REPORT 2014-15

(as required under Clause 49 of the Listing Agreement with Stock Exchanges and forming part of the Directors' Report for the year ended 31st March, 2015)

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, One Executive Director and eight Non-Executive Directors.
- 2) All Directors other than Mr.S.Santhanam, Mr.R.Sampath, Mrs.Ramya Bharathram and Mr. R.Parthasarathy are independent Directors.

b) Board Meetings:

Four meetings of the Board of Directors were held on 12.05.2014, 06.08.2014, 03.11.2014 and 31.01.2015. 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 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 four Board Meetings held during the financial year 2014-2015, at the last AGM and other particulars of Directorships are given below:-

Name of the Director	Attendance at		No. of Directorships in Other Public Companies	Board Sub-Committees (Audit Committee and Stakeholders Relationship Committee)	
	Board Meetings	Last AGM		Membership	Chairmanship
Dr. S. Rama Iyer ¹	4	Yes	6	4	-
Mr. R. Parthasarathy ²	4	Yes	1	-	-
Mr. A. Janakiraman	4	Yes	-	1	-
Mr. P. Shankar	4	Yes	2	3	-
Mr. N.Subramanian	4	Yes	-	1	-
Mr. Raj Kataria	3	No	1	2	-
Mr. R.Ravi Shankar	4	Yes	-	1	1
Mr. Dhruv Moondhra	2	No	-	-	-
Mr. S. Sridhar ³	1	NA	-	-	-
Mr. S. Santhanam	4	Yes	1	-	-
Mr. R. Sampath	4	Yes	1	2	-
Mrs.Ramya Bharathram ⁴	1	NA	1	-	-

¹ Chairman

² Managing Director

³ Ceased to be a Director from 13/05/2014

⁴ Whole-time Director from 03/11/2014

c) Remuneration of Director:

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

Details of remuneration paid to the Managing Directors during the year ended 31/03/2015 are:

Name	Position	Salary Rs.	Commission Rs.	Contribution to P.F. and other Fund Rs.	Perquisites Rs.
Mr. R. Parthasarathy	Managing Director	79,91,534	Nil	8,20,000	9,60,195
Mrs. Ramya Bharathram*	Whole-time Director	15,01,901	Nil	2,40,317	21,48,795

* from November 03, 2014

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 are as under:

Sitting fees paid to the Non-Executive Directors (Financial Year 2014-15)

Name of the Director	Sitting fees paid (Rs.)
Dr. S. Rama Iyer	1,20,000
Mr. P. Shankar	2,40,000
Mr. A. Janakiraman	2,45,000
Mr. N. Subramanian	3,65,000
Mr. Raj Kataria	2,00,000
Mr. R.Ravi Shankar	3,65,000
Mr. Dhruv Moondhra	60,000
Mr. S. Santhanam	1,60,000
Mr. R.Sampath	80,000
Mr. S. Sridhar	20,000

d) Details of the Shares held by Non-Executive Directors as on 31/3/2015.

Name of the Director	No. of Shares held*
Mr. R.Sampath	4,81,737
Mr. S. Santhanam	64,452
Dr. S. Rama Iyer	50,000
Mr. Raj Kataria	50

* Incl. Trust holdings

BOARD COMMITTEES

Currently, the Board has five Committees: Audit Committee, Stakeholders Relationship Committee, Business Review Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee.

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

a) Audit Committee:

The Audit Committee constitutes of the following members:

Sl.No.	Name of Director	Category
1	Mr.R.Ravi Shankar	Independent Director & Chairman
2	Mr.P.Shankar	Independent Director
3	Mr.N.Subramanian	Independent Director
4	Mr.Raj Kataria	Independent Director
5	Mr.S.Santhanam*	Promoter Director
6	Mr.R.Sampath [§]	Promoter Director

* Ceased to be a member from 06/08/2014

[§] Inducted as a member from 06/08/2014

Mr. R.RAVI SHANKAR is a Professional with extensive experience in Finance, Manufacturing and Business Management, M & A, and Strategic Consultancy. He is a Chartered Accountant and a Diplomate from IIM Ahmedabad. He was a senior partner heading the M&A Division in Ernst & Young for 10 years from 1997-2007, and earlier in senior positions in Ponds Ltd / Hindustan Lever Ltd.

Mr. P.SHANKAR, joined the Indian Administrative Service in 1966 after a Post-Graduate in Economics from Madras University. In the course of a distinguished career he has served as the Chief Secretary of Tamil Nadu, and as Secretary to Government of India in the Ministries of Heavy Industry, Sugar, Food and Public Distribution, and Petroleum. He was Central Vigilance Commissioner of India, a senior Constitutional position.

Mr. N. SUBRAMANIAN, is a Chemical Engineer from IIT, a Management Graduate from IIM –Ahmedabad, and has 40 years of experience in the chemical industry in India and overseas. Mr. Subramanian is highly respected for his senior management expertise in leading companies in India and E Asia, viz, Chemplast Sanmar, Atochem- Arkema, etc. and for his experience in the Chemical Industry, especially in the Asia Pacific region.

Mr. RAJ KATARIA is an experienced Investment Banker with over 20 years in Mergers and Acquisitions and Capital Markets. He also has significant expertise in Company Law and Corporate Structuring matters, most recently as Managing Director, in DSP- Merrill Lynch

Mr.R.SAMPATH is a B.Sc / BS in Chemical Engineering, USA. He is the Chairman & Managing Director of Ultramarines & Pigments Ltd, which is one of the promoters of the Company. He has 40 years of experience in the US and India, in business operation and management.

The Composition of the Audit Committee of the Company meets with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the relevant Indian stock exchanges.

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 and shall, *inter alia*, include, the recommendation for appointment, remuneration and terms of appointment of auditors of the company; review and monitor the auditor's independence and performance, and effectiveness of audit process; examination of the financial statement and the auditors' report thereon; approval or any subsequent modification of transactions of the company with related parties; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the company, wherever it is necessary; evaluation of internal financial controls and risk management systems; monitoring the end use of funds raised through public offers and related matters.

Four meetings of the Audit Committee of the Board of Directors were held during the year 2014-2015 on 12.05.2014, 06.08.2014, 03.11.2014 and 30.01.2015. The details of attendance are given below:

Name of the Director	No. of Meetings attended
Mr.R.Ravi Shankar	4
Mr. P.Shankar	4
Mr.N.Subramanian	4
Mr.Raj Kataria	3
Mr.S.Santhanam	2
Mr.R.Sampath	1

The Statutory Auditors and the Internal Auditors attended all the Audit Committee meetings. 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 reviews the Company's financial reporting process. The Audit Committee reviews the Quarterly and 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) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee constitutes of the following members:

Sl.No.	Name of Director	Category
1]	Mr. R. Sampath ¹	Promoter Director
2]	Mr. A. Janakiraman	Independent Director
3]	Mr. Raj Kataria	Independent Director
4]	Mr. S. Santhanam ²	Promoter Director

¹ Inducted as a member from 06/08/2014

² Ceased to be a member from 06/08/2014

The Stakeholders Relationship Committee deals with the following matters:

- 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.
- Any other matters related to share transfers.

Mr. T.Rajagopalan has been appointed as Company Secretary and Compliance Officer from 15th May, 2012. During the year, the Company received 14 queries/complaints from Shareholders which were all resolved promptly and fully. The process of share transfer is delegated to R&T and is carried out by it in compliance with the Listing Agreement which will be confirmed and ratified by the Board at each subsequent meeting. All complaints/service requests of investors are redressed promptly to their satisfaction.

It may be noted that the shareholding in dematerialized mode as on 31st March, 2015 was 96.53 %.

c) Business Review Committee:

The Business Review Committee constitutes of the following members:

Sl.No.	Name of Director	Category
1]	Mr. N.Subramanian	Independent Director & Chairman
2]	Mr. A.Janakiraman	Independent Director
3]	Mr. R.Ravi Shankar	Independent Director
4]	Mr. R.Sampath ¹	Promoter Director
5]	Mr. Dhruv Moondhra ²	Independent Director

¹ Ceased to be a member from 06/08/2014

² Inducted as a member from 06/08/2014

The Committee reviews the business of the company and also discusses 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 meets at such intervals as may be necessary.

d) Nomination & Remuneration Committee:

The Nomination & Remuneration Committee constitutes of the following members:

Sl.No.	Name of Director	Category
1]	Mr. N. Subramanian ¹	Independent Director
2]	Dr Rama Iyer	Independent Director
3]	Mr. Raj Kataria	Independent Director & Chairman
4]	Mr. R.Ravi Shankar ²	Independent Director
5]	Mr. R. Sampath ²	Promoter Director

¹ Inducted as a member from 06/08/2014

² Ceased to be a member from 06/08/2014

The function of the Nomination and Remuneration Committee includes to identify persons who are qualified to become directors and to be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and carry out evaluation of every director's performance. The Committee also formulates the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The Committee meets at such intervals as may be necessary.

e) Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee constitutes of the following members:

Sl.No.	Name of Director	Category
1]	Dr Rama Iyer ¹	Independent Director
2]	Mr. Raj Kataria	Independent Director
3]	Mr. R.Ravi Shankar ¹	Independent Director
4]	Mr. R. Sampath	Promoter Director
5]	Mr. P. Shankar ²	Independent Director & Chairman

¹ Ceased to be a member from 06/08/2014

² Inducted as a member from 06/08/2014

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

The Committee meets at such intervals as may be necessary

Policy on Material Subsidiary

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

Criteria of selection of Non-Executive Directors

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

Remuneration

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

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

Managing Director - Criteria for selection / appointment

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

Remuneration for the Managing Director

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

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

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

Remuneration Policy for the Senior Management Employees

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

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

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

VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

Employees are asked to report any practices or actions believed to be inappropriate and against the interest of Company or its code of conduct adopted or any other illegal acts to their immediate Manager. Report of violation may also be made directly to the Chief Executive Officer. Where appropriate, complaints may be made on a confidential basis to the Chairman of the Audit Committee / Board. The contact details are made available at the Company's website / Notice Board. All complaints received will be properly investigated by the recipients and report the outcome to the Audit Committee in sealed cover for appropriate action. The Company prohibits retaliation against any employee for such complaints made in good faith, while it also protects the rights of the incriminated person. No complaint had been registered during 2014-15.

GENERAL BODY MEETINGS

The Forty Second Annual General Meeting of the Company for the Financial Year 2014-2015 will be held on **3rd August 2015 at Mysore Association Auditorium, Bhaudaji Road, Matunga-(C.Rly) Mumbai at 2.30 pm.**

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2013-2014	06/08/2014	3.00 p.m.	Rangaswar, Yashwantrao Chavan Pratishthan, Fourth Floor, Gen. Jagannathrao Bhosale Marg, Nariman Point, Mumbai.
2012-2013	05/07/2013	3.00 p.m.	Mysore Association Auditorium Bhaudaji Road, Matunga-(C.Rly) Mumbai.
2011-2012	13/07/2012	4.00 p.m.	Mysore Association Auditorium Bhaudaji Road, Matunga-(C.Rly) Mumbai.

No 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 President (Manufacturing) at Ranipet and Manager (Accounts), make a report of all 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. Exceptions are listed & reviewed in detail for action & correction.

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

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

CODE OF CONDUCT:

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

All Board members and Senior Management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2015. 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. N. Nambi Rajan, Chief Financial Officer have certified to the Board regarding Financial Statements for the year ended 31st March, 2015.

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 42nd AGM : 3rd August 2015, 2.30 pm at Mysore Association Auditorium, Bhaudaji Road, Matunga-(C.Rly) Mumbai - 400 019
- 2) Date of Book Closure : Tuesday, July 28, 2015 to Monday, August 03, 2015 (both days inclusive)
- 3) Listing on Stock Exchanges : BSE Ltd. (BSE) and National Stock Exchange Ltd. (NSE).
Listing fees : Paid as per the listing agreement.
- 5) ISIN No. : INE 338A01016.
- 6) BSE Stock code : 500412
NSE Stock code : TIRUMALCHM
- 7) Registered office : Thirumalai House, Road No.29, Sion-East, Mumbai-400 022
Tel: +91-22- 24017841 / 43686225
Fax: +91-22-24011699
E-mail- thirumalai@thirumalaichemicals.com
- 8) 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
- 9) Compliance Officer : Mr. T. Rajagopalan, Company Secretary
Thirumalai Chemicals Limited
Thirumalai House, Road No.29,
Sion (East), Mumbai- 400 022.
Tel: +91-22-24017841 / 43686225
Fax: +91-22-24011699.
E-mail- rajagopalan.t@thirumalaichemicals.com
- 10) Share Transfer system : The Company's shares are traded in the Stock Exchanges which are compulsorily in demat mode. Shares sent for physical transfer are registered promptly within 15 days from the date of receipt of completed and validly executed documents.
- 11) Financial Calendar : Annual Results - 06th May, 2015
Mailing of Annual Reports - By 30th June, 2015
Results for the Quarter ending:
June 30, 2015 - By 14th August, 2015
September 30, 2015 - By 15th Nov, 2015
December 31, 2015 - By 14th Feb, 2016
March 31, 2016 - May, 2016
- 12) Dematerializations of shares : As on 31/3/2015, 96.53 % of the Company's Shares representing 98,83,749 shares were held in the dematerialized form.
- 13) Plant Location : 25-A, SIPCOT Industrial Complex, Ranipet, Vellore District, Tamil Nadu.
Tel: +04172-244441. Fax: +04172-244308.
E-Mail: mail@thirumalaichemicals.com

14) Categories of Shareholders (as on 31/3/2015):

Category	No. of shares	% of shareholding
Promoters, Directors & their Relatives	1702399	16.63
Group companies	2700182	26.37
Financial Institutions / Banks	17081	0.17
Insurance companies	600	0.01
NRIs / FIIs	95482	0.93
Companies / Bodies corporate	611700	5.97
General Public	5025949	49.09
Clearing member	34919	0.34
Trusts	50500	0.49
TOTAL	10238812	100.00

15) Distribution of Shareholding as on 31.03.2015:

No. of shares	No. of shareholders	% of shareholders	Shareholding	% of shareholding
Up to 500	14601	90.06	1661942	16.23
501- 1000	857	5.29	677243	6.61
1001-2000	403	2.49	621889	6.07
2001-5000	204	1.26	652658	6.38
5001-10000	64	0.39	452259	4.42
Above 10000	71	0.51	6172821	60.29
Total	16200	100.00	10238812	100.00

16) Stock market price data for the year 2014-2015

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	No. of Shares	High (Rs.)	Low (Rs.)	No. of Shares
April, 2014	102.50	88.05	2,57,218	102.80	88.05	5,60,154
May, 2014	102.00	82.60	6,66,014	101.90	82.65	11,12,446
June, 2014	103.00	89.10	5,77,801	103.00	89.65	10,86,730
July, 2014	105.00	90.50	7,03,271	104.90	90.60	15,31,045
August, 2014	100.00	85.45	4,14,313	100.00	85.10	8,98,776
September, 2014	122.25	94.80	10,27,995	122.50	94.25	17,07,133
October, 2014	110.95	95.85	1,93,262	111.00	95.80	4,54,976
November, 2014	117.35	97.00	3,87,974	117.40	97.50	7,45,168
December, 2014	108.50	92.00	1,07,229	103.80	92.65	2,77,023
January, 2015	105.80	91.00	1,04,157	103.90	91.05	2,01,950
February, 2015	90.50	77.10	1,35,196	90.90	77.10	2,85,245
March, 2015	90.00	78.95	1,29,580	90.00	75.10	2,50,775

For Thirumalai Chemicals Limited

R.Parthasarathy
 Managing Director
 (DIN: 00092172)

R. Ravi Shankar
 Independent Director
 (DIN: 01224361)

 Chennai, 06th May, 2015

**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, 2015.

For Thirumalai Chemicals Limited

R.Parthasarathy
 Managing Director
 (DIN: 00092172)

 Chennai, 06th May, 2015

INDEPENDENT AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To the Members of, Thirumalai Chemicals Limited

We have examined the compliance of conditions of corporate governance by Thirumalai Chemicals Limited for the year ended on 31st March 2015, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the abovementioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders and Investors' Grievance Committee.

We further 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
CNK & Associates LLP,
Chartered Accountants
Firm Registration No.: 101961W

Place: Mumbai
Date: 06th May, 2015

H. V. Kishnadwala
Partner
Membership No.: 037391

FORM NO. MGT- 9
EXTRACT OF ANNUAL RETURN
As on the Financial Year ended March 31, 2015

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

I. REGISTRATION AND OTHER DETAILS:

 i) **CIN:- L24100MH1972PLC016149**

 ii) Registration Date: **27-11-1972**

 iii) Name of the Company: **THIRUMALAI CHEMICALS LIMITED**

 iv) Category / Sub-Category of the Company: **Company having Share Capital**

v) Address of the Registered office and contact details

Thirumalai House, Plot No 101/102, Sion-Matunga Estate, Road No. 29, Near Sion Hill Fort, Sion (E), Mumbai - 400 022

 vi) Whether listed company Yes / No : **Yes**

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any

Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (W), Mumbai - 400 078

Tel. : 022-2594 6970

Fax : 022-2594 6969

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Phthalic Anhydride	24119	92%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

CATEGORY OF SHAREHOLDERS	NUMBER OF SHARES HELD AT THE BEGINNING OF THE YEAR				NUMBER OF SHARES HELD AT THE END OF THE YEAR			
	DEMAT	PHYSICAL	TOTAL	%	DEMAT	PHYSICAL	TOTAL	%
A. PROMOTERS								
1. INDIAN								
A. INDIVIDUALS / HINDU UNDIVIDED FAMILY	1899346	14	1899360	18.55	1702385	14	1702399	16.63
B. CENTRAL GOVERNMENT/STATE GOVERNMENT(S)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. BODIES CORPORATE	2700182	0	2700182	26.37	2700182	0	2700182	26.37
D. FINANCIAL INSTITUTIONS/BANKS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
E. ANY OTHERS (SPECIFY)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB TOTAL(A) (1):	4599528	14	4599542	44.92	4402567	14	4402581	43

CATEGORY OF SHAREHOLDERS	NUMBER OF SHARES HELD AT THE BEGINNING OF THE YEAR				NUMBER OF SHARES HELD AT THE END OF THE YEAR			
	DEMAT	PHYSICAL	TOTAL	%	DEMAT	PHYSICAL	TOTAL	%
2. FOREIGN								
A. INDIVIDUALS(NON-RESIDENT INDIVIDUALS/FOREIGN INDIVIDUALS)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
B. BODIES CORPORATE	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. INSTITUTIONS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
D. ANY OTHERS (SPECIFY)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB TOTAL (A)(2):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP (A)= (A)(1) +(A)(2)	4599528	14.00	4599542	44.92	4402567	14.00	4402581	43.00
B. PUBLIC SHAREHOLDING								
1. INSTITUTIONS								
A. MUTUAL FUNDS/UTI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
B. FINANCIAL INSITUTIONS/BANKS	326	1249	1575	0.02	15832	1249	17081	0.17
C. CENTRAL GOVERNMENT/STATE GOVERNMENT(S)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
D. VENTURE CAPITAL FUNDS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
E. INSURANCE COMPANIES	NIL	600	600	0.01	NIL	600	600	0.01
F. FOREIGN INSTITUTIONAL INVESTORS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
G. FOREIGN VENTURE CAPITAL INVESTORS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
H. ANY OTHER (SPECIFY)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB TOTAL (B)(1):	326	1849	2175	0.03	15832	1849	17681	0.18
B2. NON - INSTITUTIONS								
A. BODIES CORPORATE	490406	6979	497385	4.86	604721	6979	611700	5.97
B. INDIVIDUALS								
I. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UP TO RS.1 LAKH	3044530	359182	3403712	33.24	3269165	345686	3614851	35.31
II. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS.1 LAKH	1541628	NIL	1541628	15.06	1411098	NIL	1411098	13.78
C. ANY OTHER (SPECIFY)								
CLEARING MEMBERS	50439	NIL	50439	0.49	34919	NIL	34919	0.34
NRIs	92396	535	92931	0.91	94947	535	95482	0.93
TRUSTS	51000	NIL	51000	0.49	50500	NIL	50500	0.49
SUB TOTAL (B) (2):	5270399	366696	5637095	55.05	5465350	353200	5818550	56.82
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)	5270725	368545	5639270	55.08	5481182	355049	5836231	57.00
C. SHARES HELD BY CUSTODIAN FOR GDR'S & ADR'S	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
GRAND TOTAL (A + B + C)	9870253	368559	10238812	100.00	9883749	355063	10238812	100.00

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

Sl. No.	Name of Promoter		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	R.SAMPATH		481737	4.71	481737	4.71	No change
2	PARTHASARATHY RANGASWAMY		272350	2.66	272350	2.66	No change
3	SANTHANAM SUNDARARAJAN		79452	0.78	79452	0.78	Beginning
Less	15/09/2014	Market Sale	8994	0.09	70458	0.69	Change
Less	16/09/2014	Market Sale	6006	0.06	64452	0.63	Change
At the end of the year					64452	0.63	
4	SRIDHAR SUNDARARAJAN		78717	0.76	78717	0.76	Beginning
Less	01/04/2014	Market Sale	4000	0.04	74717	0.72	Change
Less	02/04/2014	Market Sale	6000	0.06	68717	0.66	Change
Less	03/04/2014	Market Sale	1000	0.01	67717	0.65	Change
Less	14/05/2014	Market Sale	9850	0.09	57867	0.56	Change
Less	15/09/2014	Market Sale	16000	0.15	41867	0.41	Change
At the end of the year					41867	0.41	
5	BHOOMA PARTHASARATHY		262615	2.57	262615	2.57	No change
6	INDIRA SUNDARARAJAN		182296	1.78	182296	1.78	No change
7	SUJATHA SAMPATH		93771	0.92	93771	0.92	No change
8	KALA SUNDARVEDHA		52716	0.51	52716	0.51	Beginning
Less	02/04/2014	Market Sale	5393	0.05	47323	0.46	Change
Less	03/04/2014	Market Sale	4607	0.04	42716	0.42	Change
Less	21/05/2014	Market Sale	10000	0.10	32716	0.32	Change
At the end of the year					32716	0.32	
9	S.VARADARAJAN		49542	0.48	49542	0.48	Beginning
Less	09/06/2014	Market Sale	10000	0.10	39542	0.38	Change
At the end of the year					39542	0.38	
10	SRINATH SRIDHAR		49268	0.48	49268	0.48	Beginning
Less	14/05/2014	Market Sale	2887	0.03	46381	0.45	Change
Less	15/05/2014	Market Sale	1000	0.01	45381	0.44	Change
Less	21/05/2014	Market Sale	6000	0.06	39381	0.38	Change
Less	09/06/2014	Market Sale	2000	0.01	37381	0.37	Change
Less	10/06/2014	Market Sale	8000	0.08	29381	0.29	Change
At the end of the year					29381	0.29	
11	DEEPA AJAY		49224	0.48	49224	0.48	Beginning
Less	01/04/2014	Market Sale	10000	0.10	39224	0.38	Change
Less	01/07/2014	Market Sale	2000	0.02	37224	0.36	Change
Less	09/07/2014	Market Sale	19994	0.19	17230	0.17	Change
Less	16/09/2014	Market Sale	6620	0.07	10610	0.10	Change
Less	04/02/2015	Market Sale	3394	0.03	7216	0.07	Change
Less	25/02/2015	Market Sale	3009	0.03	4207	0.04	Change
Less	12/03/2015	Market Sale	4207	0.04	0.00	0.00	Change
At the end of the year					0.00	0.00	
12	S.VIDHYA		41813	0.41	41813	0.41	No change
13	S.NARAYAN		34000	0.33	34000	0.33	Beginning
Less	09/06/2014	Market Sale	1000	0.01	33000	0.32	Change
Less	10/06/2014	Market Sale	4670	0.04	28330	0.28	Change
Less	11/06/2014	Market Sale	3983	0.04	24347	0.24	Change
Less	30/06/2014	Market Sale	347	0.01	24000	0.23	Change
Less	17/11/2014	Market Sale	1000	0.01	23000	0.22	Change

Sl. No.	Name of Promoter		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
Less	05/01/2015	Market Sale	1000	0.01	22000	0.21	Change
Less	12/02/2015	Market Sale	2000	0.02	20000	0.19	Change
Less	17/03/2015	Market Sale	2000	0.02	18000	0.17	Change
At the end of the year					18000	0.17	
14	GEETHA.S		30394	0.30	30394	0.30	Beginning
Less	01/07/2014	Market Sale	4286	0.04	26108	0.26	Change
Less	08/07/2014	Market Sale	5714	0.06	20394	0.20	Change
At the end of the year					20394	0.20	
15	JAYALAKSHMI SUNDARARAJAN		29770	0.29	29770	0.29	Beginning
Less	01/07/2014	Market Sale	1628	0.02	28142	0.27	Change
Less	08/07/2014	Market Sale	8372	0.08	19770	0.19	Change
At the end of the year					19770	0.19	
16	DAYA SRIDHAR		28910	0.28	28910	0.28	Beginning
Less	30/06/2014	Market Sale	2000	0.02	26910	0.26	Change
Less	01/07/2014	Market Sale	5691	0.06	21219	0.20	Change
Less	04/07/2014	Market Sale	262	0.00	20957	0.20	Change
Less	08/07/2014	Market Sale	2047	0.02	18910	0.18	Change
At the end of the year					18910	0.18	
17	RAMYA BHARATHRAM		23696	0.23	23696	0.23	No change
18	MEERA PARTHASARATHY		20438	0.20	20438	0.20	No change
19	TARA PARATHASARATHY		20188	0.20	20188	0.20	No change
20	V.S.SUNDARARAJAN		5873	0.06	5873	0.06	No change
21	KAVYA NARAYAN		5000	0.05	5000	0.05	No change
22	UTTARA.B		4000	0.04	4000	0.04	No change
23	GAYATHRI SAMPATH		3388	0.03	3388	0.03	No change
24	N.R.SWAMY		188	0.00	188	0.00	No change
25	S.SRIDHAR [HUF]		14	0.00	14	0.00	No change
26	ULTRAMARINE & PIGMENTS LTD.		2045177	19.97	2045177	19.97	No change
27	JASMINE LIMITED		655005	6.40	655005	6.40	No change
Total			4599542	44.92	4402581	43.00	

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

Sl. Nos. 2014 / 2015	Name of Promoter		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1/1	ANIL KUMAR GOEL		360000	3.52	360000	3.52	Beginning
Add	16/05/2014	Market Purchase	10000	0.09	370000	3.61	Change
Add	20/06/2014	Market Purchase	17439	0.17	387439	3.78	Change
Add	30/06/2014	Market Purchase	2561	0.02	390000	3.80	Change
Add	18/07/2014	Market Purchase	4120	0.04	394120	3.84	Change
Add	25/07/2014	Market Purchase	2791	0.03	396911	3.87	Change
Add	01/08/2014	Market Purchase	13089	0.13	410000	4.00	Change
Add	08/08/2014	Market Purchase	299	0.00	410299	4.00	Change
Add	06/02/2015	Market Purchase	1701	0.02	412000	4.02	Change
Add	27/03/2015	Market Purchase	1000	0.01	413000	4.03	Change
Add	31/03/2015	Market Purchase	5000	0.05	418000	4.08	Change
At the end of the year					418000	4.08	

Sl. Nos. 2014 / 2015	Name of Promoter		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
2/2	SEEMA GOEL		215000	2.10	215000	2.10	No Change
	At the end of the year				215000	2.10	
3/-	SEETHA KUMARI		174745	1.71	174745	1.71	Beginning
Add	11/04/2014	Market Purchase	491	0.00	175236	1.71	Change
Add	18/04/2014	Market Purchase	2091	0.02	177237	1.73	Change
Add	25/04/2014	Market Purchase	1720	0.02	179047	1.75	Change
Add	02/05/2014	Market Purchase	3466	0.03	182513	1.78	Change
Less	16/05/2014	Market Sale	5143	0.05	177370	1.73	Change
Less	23/05/2014	Market Sale	177370	1.73	0	0.00	Change
	At the end of the year				0	0.00	
4/3	VINODCHANDRA MANSUKHLAL PAREKH		120507	1.18	120507	1.18	No change
	At the end of the year				120507	1.18	
5/4	NARASIMHAN K SWAMY		77000	0.75	77000	0.75	No change
	At the end of the year				77000	0.75	
6/-	SHRAVAN SAMPATH		67859	0.66	67859	0.66	Beginning
Less	30/05/2014	Market Sale	5349	0.05	62510	0.61	Change
Less	13/06/2014	Market Sale	10665	0.10	51845	0.51	Change
Less	11/07/2014	Market Sale	20000	0.20	31845	0.31	Change
Less	25/07/2014	Market Sale	31845	0.31	0	0.00	Change
	At the end of the year				0	0.00	
7/5	DSP MERRILL LYNCH TRUST SERVICES LTD		50000	0.49	50000	0.49	No change
	At the end of the year				50000	0.49	
8/-	INDIANIVESH SECURITIES PRIVATE LIMITED		50000	0.49	50000	0.49	Beginning
Less	04/04/2014	Market Sale	3975	0.05	46025	0.45	Change
Less	16/05/2014	Market Sale	20000	0.20	26025	0.25	Change
Less	23/05/2014	Market Sale	26025	0.25	0	0.00	Change
	At the end of the year				0	0.00	
9/6	LAUREL SECURITIES PVT. LTD.		38436	0.38	38436	0.38	Beginning
Add	09/05/2014	Market Purchase	148	0.00	38584	0.38	Change
Less	22/08/2014	Market Sale	242	0.00	38342	0.38	Change
Add	28/11/2014	Market Purchase	2000	0.01	40342	0.39	Change
Add	05/12/2011	Market Purchase	1000	0.01	41342	0.40	Change
	At the end of the year				41342	0.40	
10/7	SANDHYA G PARIKH		36650	0.36	36650	0.36	No change
	At the end of the year				36650	0.36	
-/8	PRAKASH JAIN		32089	0.31	32089	0.31	No change
	At the end of the year				32089	0.31	
-/9	SILVERTONE SECURITIES PRIVATE LIMITED		31000	0.30	31000	0.30	No change
	At the end of the year				31000	0.30	
-/10	KLJ PLASTICIZERS LIMITED		27938	0.18	27938	0.27	Beginning
Add	18/07/2014	Market Purchase	20000	0.20	47938	0.47	Change
	At the end of the year				47938	0.47	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Directors	Shareholding at the beginning of the year		Shareholding at the end of the year		Reasons for increase/decrease
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	Mr.R.Parthasarathy	272350	2.66	272350	2.66	No change
2	Mr.R.Sampath	481737	4.71	481737	4.71	No change
3	Mr.S.Santhanam	79452	0.78	64452	0.63	Market sale
4	Mrs.Ramya Bharathram	23696	0.23	23696	0.23	No change
5	Dr.S.Rama Iyer	50000	0.49	50000	0.49	No change
6	Mr.Raj Kataria	50	0.00	50	0.00	No change
B	Key Managerial Personnel					
1	Mr.N.Nambi Rajan	Nil		Nil		Not applicable
2	Mr.T.Rajagopalan	Nil		Nil		

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment
Rs. in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	15,544.78	637.55	2,573.34	18,755.67
ii) Interest due but not paid				
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	15544.78	637.55	2,573.34	18,755.67
Change in Indebtedness during the financial year				
• Addition	--	60.79	--	60.79
• Reduction	7,933.94	--	2,573.34	10,507.34
Net Change	7933.94	60.79	2,573.34	10568.13
Indebtedness at the end of the financial year				
i) Principal Amount	7,610.84	698.34	--	8,309.18
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	7,610.84	698.34	--	8,309.18

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Director and/or Manager:

Sl. no.	Particulars of Remuneration	Rs. in lakhs		
		Mr.R.Parthasarathy, Managing Director	Mrs. Ramya Bharathram, Whole-time Director (from Nov. 3, 2014)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	88.11	17.42	105.53
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2.	Stock Option	--	--	
3.	Sweat Equity	--	--	
4.	Commission			
	- as % of profit	--	--	
	- others, specify...	--	--	
5.	Others (Provision towards gratuity and leave encashment)	9.60	21.49	31.09
	Total (A)	97.71	38.91	136.62
	Ceiling as per the Act	97.71	42.96	140.67

B. Remuneration to other Directors:

Rs. in lakhs

Sl. no.	Particulars of Remuneration	Name of Directors							Total amount
		Dr. S. Rama Iyer	Mr. P. Shankar	Mr. A. Janakiraman	Mr. N. Subramanian	Mr. Raj Kataria	Mr. Ravi Shankar	Mr. Dhruv Moondhra	
1.	Independent Directors								
	• Fee for attending board Committee meetings	1.20	2.40	2.45	3.65	2.00	3.65	0.60	15.95
	• Commission (provided*)								19.54
	• Others, please specify								Nil
	Total (1)	1.20	2.40	2.45	3.65	2.00	3.65	0.60	35.49
2.	Other Non-Executive Directors	Mr. S. Santhanam		Mr. R. Sampath		Mr. S. Sridhar			
	• Fee for attending board Committee meetings	1.60		0.80		0.20			2.60
	• Commission*								
	• Others, please specify								
	Total (2)	1.60		0.80		0.20			2.60
	Total (B) = (1 + 2)								38.09
	Total Managerial Remuneration (A+B)								174.71
	Overall Ceiling as per the Act								226.57

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Rs. in lakhs

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.37	35.73	53.10
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission			
	- as % of profit			
	- others, specify...			
5.	Others, please specify			
	Total	17.37	35.73	53.10

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule made there-under]

To,

The Members**Thirumalai Chemicals Limited, Mumbai**

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made there-under;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there-under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

As informed and explained by the Management of the Company, there is no specific law applicable to the Industry in which the Company operates.

We have also examined compliance with the applicable clause of the Listing Agreements entered into with Stock Exchanges in India.

We report that during the financial year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above.

We further report that, there was no action/event in pursuance of;

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 requiring compliance thereof by the Company during the financial year and Secretarial Standard issued by the Institute of Company Secretaries of India (ICSI) were not applicable during the financial year.

We further report that based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and also on the review of quarterly compliance reports of the respective department/unit heads/ Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion, adequate system, process and controls exists commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable general laws like labour laws, competition law and environmental laws.

We further report that the compliance by the Company of the applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals.

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

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

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

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For R M MIMANI & ASSOCIATES LLP
[COMPANY SECRETARIES]

MANOJ MIMANI
PARTNER
ACS No.: 17083
C P No.: 11601

Place: Mumbai
Dated: 6th MAY, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THIRUMALAI CHEMICALS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Thirumalai Chemicals Limited ("the Company"), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to the following matters in the notes to the financial statements:

We refer to Note E.5 to the financial statements regarding appointment of and remuneration of Rs.38,91,013 paid to a whole time director during the year as approved by the Board of Directors. The same is subject to ratification and approval by members in ensuing annual general meeting.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note C.32 (B) to the financial statements;

The Company did not have any long term contracts, including derivative contracts for which there were any material foreseeable losses.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For CNK & Associates LLP
Chartered Accountants
Firm Registration No. 101961W

H. V. Kishnadwala
Partner
Membership No.: 37391

Place: Mumbai
Date: 6th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, the fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification;
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;
- (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;
- (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. The Company has not granted loans, secured or unsecured to companies, firms or other parties, which are covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
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. In our opinion and as explained to us, the Company has complied with provisions of Sections 73 to 76 of the Companies Act 2013 read with The Companies (Acceptance of Deposits) Rules, 2014 and other relevant provisions of the Companies Act.
As informed to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal related to compliance with above provisions.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that prima-facie, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determining whether they are accurate or complete;
7. (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, employees state

insurance, income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31st March 2015, for a period of more than six months from the date they became payable

- (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 (Rs.)	Financial year/s to which the amount relates	Forum where dispute is pending
Tamilnadu General Sales Tax Act	Sales tax and Interest on belated payments of tax	84,48,007	2000-01 to 2005-06	Madras High Court
Foreign Exchange Management Act	Penalty	99,363,453	1995-96	Appellate Tribunal constituted under Foreign Exchange Management Act
Income Tax Act	Regular Tax	1,547,610	2011-12	Commission of Income Tax, Appeals

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

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. Based on the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions and banks;
10. According to the information and explanations given to us, the Company has given corporate guarantee to bank for and on behalf of step-down subsidiary amounting to Rs. 533,446,809 the terms and conditions whereof in our opinion are not *prima facie* prejudicial to the interest of the Company;
11. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained;
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For and on behalf of
CNK & Associates LLP,
Chartered Accountants
Firm Registration No.: 101961W

H. V. Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai
Date: 6th May, 2015

BALANCE SHEET AS AT 31ST MARCH 2015

All amounts in Indian rupees

Particulars	Note No.	As at	
		31st March 2015 Rs.	31st March 2014 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders funds			
(a) Share capital	C.1	102,410,620	102,410,620
(b) Reserves and surplus	C.2	1,407,400,035	1,321,429,217
		1,509,810,655	1,423,839,837
(2) Non-current liabilities			
(a) Long-term borrowings	C.3	52,964,940	201,166,899
(b) Deferred tax liabilities (net)	C.4	120,229,928	133,472,005
(c) Long-term provisions	C.5	73,866,189	69,111,052
		247,061,057	403,749,956
(3) Current liabilities			
(a) Short-term borrowings	C.6	626,676,231	1,147,475,077
(b) Trade payables	C.7	668,162,161	1,460,642,276
(c) Other current liabilities	C.8	1,049,348,938	1,481,166,423
(d) Short-term provisions	C.9	71,210,320	23,668,817
		2,415,397,650	4,112,952,593
TOTAL		4,172,269,362	5,940,542,386
II. ASSETS			
Non-current assets			
(1) (a) Fixed assets			
(i) Tangible assets	C.10	743,677,965	770,052,608
(ii) Capital work-in-progress		3,687,556	31,574,726
(b) Non-current investments	C.11	324,869,305	325,169,305
(c) Long-term loans and advances	C.12	528,863,895	527,255,178
(d) Other non-current assets	C.13	660,971	1,432,097
		1,601,759,692	1,655,483,914
(2) Current assets			
(a) Inventories	C.14	706,464,886	1,902,312,035
(b) Trade receivables	C.15	1,435,546,609	1,906,512,640
(c) Cash and cash equivalents	C.16	82,950,048	189,071,900
(d) Short-term loans and advances	C.17	56,686,500	135,683,118
(e) Other current assets	C.18	288,861,627	151,478,779
		2,570,509,670	4,285,058,472
TOTAL		4,172,269,362	5,940,542,386

Significant accounting policies

Notes to financial statements

The accompanying notes are an integral part of financial statements

B

A, C, D & E

As per our report of even date

For & on behalf of

For and on behalf of the Board of Directors
**CNK & ASSOCIATES LLP
CHARTERED ACCOUNTANTS**
**R. PARTHASARATHY
MANAGING DIRECTOR
(DIN: 00092172)**
**R. RAVI SHANKAR
INDEPENDENT DIRECTOR
(DIN:01224361)**
**H. V. KISHNADWALA
PARTNER**
**N. NAMBI RAJAN
CHIEF FINANCIAL OFFICER**
**T. RAJAGOPALAN
COMPANY SECRETARY**
MUMBAI, 6TH MAY, 2015
CHENNAI, 6TH MAY, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

All amounts in Indian rupees

Particulars	Note No.	Year ended 31st March 2015 Rs.	Year ended 31st March 2014 Rs.
I Revenue from operations	C.19	9,265,468,181	10,348,070,146
II Other income	C.20	<u>151,361,365</u>	<u>158,438,768</u>
III Total revenue (I + II)		<u>9,416,829,546</u>	<u>10,506,508,914</u>
IV Expenses:			
Cost of materials consumed	C.21	7,163,963,465	8,512,852,298
Purchase of stock in trade	C.22	51,748,921	67,210,338
Changes in stock	C.23	444,023,444	103,706,273
Employees benefits expense	C.24	226,141,467	241,522,617
Finance costs	C.25	331,054,214	454,223,498
Depreciation and amortization (Refer Note E.7)	C.10	70,050,771	122,100,129
Other expenses	C.26	<u>934,491,344</u>	<u>970,472,793</u>
Total expenses		<u>9,221,473,626</u>	<u>10,472,087,946</u>
V Profit before tax		195,355,920	34,420,968
VI Tax expense			
Current tax		(68,000,000)	(34,700,000)
Deferred tax		1,514,778	27,320,034
Adjustment for earlier years		13,168,499	8,639,371
VII Profit for the year		142,039,197	35,680,373
VIII Earnings per equity share - Face value Rs. 10 per share			
Basic and diluted		13.87	3.48
Significant accounting policies	B		
Notes to financial statements	A, C, D & E		
The accompanying notes are an integral part of financial statements			

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

For and on behalf of the Board of Directors

**CNK & ASSOCIATES LLP
CHARTERED ACCOUNTANTS**
**R. PARTHASARATHY
MANAGING DIRECTOR
(DIN: 00092172)**
**R. RAVI SHANKAR
INDEPENDENT DIRECTOR
(DIN:01224361)**
**H. V. KISHNADWALA
PARTNER**
**N. NAMBI RAJAN
CHIEF FINANCIAL OFFICER**
**T. RAJAGOPALAN
COMPANY SECRETARY**
MUMBAI, 6TH MAY, 2015
CHENNAI, 6TH MAY, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
(A) Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	195,355,920	34,420,968
Adjustments for		
Depreciation	70,050,771	122,100,129
Finance Costs	331,054,214	454,223,498
Interest Income	(54,950,847)	(53,294,914)
Dividend Received	(7,743,010)	(6,918,295)
Loss/(Profit) on sale of assets	(24,382,613)	(29,104,625)
Profit on Sale of Investments	(600,000)	
Write off of fixed assets	167,642	-
Effect of exchange rate change	835,392	21,755,876
	314,431,550	508,761,669
Operating Profit before Working Capital changes	509,787,470	543,182,637
Adjustments for		
(Increase) / decrease in trade and other receivables	492,300,961	572,089,369
(Increase) / decrease in inventories	1,195,847,149	(21,804,044)
Increase / (decrease) in trade and other payables	(1,168,980,942)	179,165,871
	519,167,168	729,451,196
Cash Generated From Operations	1,028,954,638	1,272,633,833
Direct tax paid (net)	29,986,684	(7,036,956)
	29,986,684	(7,036,956)
Net Cash Inflow / (Outflow) From Operations	1,058,941,322	1,265,596,877
(B) Cash Flow From Investment Activities		
Sale of fixed assets	(1,648,288)	68,147,109
Purchase of Fixed assets and Capital work in progress	(50,458,854)	(38,383,592)
Increase/ (decrease) in loan given to Subsidiaries	(16,010,271)	113,310,320
Interest received	31,399,689	43,682,445
Sale/ (Purchase) of Investments (net)	900,000	-
Dividend received	7,743,010	6,918,295
Foreign currency translation reserve	16,010,275	8,739,381
Net Cash Inflow / (Outflow) From Investing Activities	(12,064,439)	202,413,958
(C) Cash Flow From Finance Activities		
Repayment of long term borrowings	(272,061,924)	(434,037,522)
Short term borrowings (net)	(521,530,014)	(474,822,926)
Interest on borrowings	(331,054,214)	(454,223,498)
Dividend paid (including dividend tax)	-	(29,947,245)
Net Cash Inflow / (Outflow) From Financing Activities	(1,124,646,152)	(1,393,031,191)
Net Increase / (Decrease) in Cash or Cash Equivalents (A)+(B)+(C)	(77,769,268)	74,979,643
CASH AND CASH EQUIVALENTS - (OPENING)		
- Cash and Bank balance	82,980,782	8,001,139
CASH AND CASH EQUIVALENTS - (CLOSING)		
i. Cash on hand	270,299	386,436
ii. Balance with banks		
In current accounts	4,941,215	82,594,346
	5,211,514	82,980,782
TOTAL	(77,769,268)	74,979,643

Note

- Figures in the brackets represents cash outflows.
- 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

For and on behalf of the Board of Directors

CNK & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN: 00092172)

R. RAVI SHANKAR
INDEPENDENT DIRECTOR
(DIN:01224361)

H. V. KISHNADWALA
PARTNER

N. NAMBI RAJAN
CHIEF FINANCIAL OFFICER

T. RAJAGOPALAN
COMPANY SECRETARY

MUMBAI, 6TH MAY, 2015

CHENNAI, 6TH MAY, 2015

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

A. CORPORATE INFORMATION

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

B. SIGNIFICANT ACCOUNTING POLICIES

I BASIS OF ACCOUNTING

The financial statements of Thirumalai Chemicals Limited ("TCL" or "the Company") have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under Section 133 of the Companies Act, 2013, other pronouncements of Institute of Chartered Accountants of India.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

The company follows the accrual system of accounting for recognizing income and expenditure.

II USE OF ESTIMATES:

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

III REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods:

Revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer. Gross turnover includes excise duty but does not include sales tax and VAT.

Income from wind operated generators:

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

Income from letting out of storage facility:

Revenue from letting out of storage facilities are accounted on accrual basis as per terms of agreement.

Income from services:

Revenue from service contracts are recognized pro-rata over the period of the contract as and when services are rendered and are net of service tax.

Sale of scrap:

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

Dividend and interest income:

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

Export benefits:

The benefit accrued under the Duty drawback scheme as per the Export and Import Policy in respect of exports made under the said Schemes is included under the head "revenue from operations" as 'Incentives on Exports'.

Status holder incentive scrip scheme benefit is accounted on utilization thereof for payment of duty on eligible goods.

IV FIXED ASSETS AND DEPRECIATION:

Tangible Assets:

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Assets which are retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value.

Depreciation and amortization:

a) Leasehold land:

Premium on lease hold land is amortized over the period of lease.

b) Depreciation on tangible assets is provided over its useful life specified in Schedule II to the Companies Act, 2013 or based on the useful life of the assets as estimated by Management based on technical evaluation and advice.

c) Depreciation on tangible assets is provided as under:

Buildings	Straight line method except building of CMC division.
Plant and Machinery	Straight line method except as stated below. Written down value method for plant and machinery for CMC division, factory equipments and laboratory equipments.
Wind operated generators	Straight line method
Furniture and Fittings	Written down value method
Vehicles	Written down value method
Office Equipments	Written down value method
Computer Equipments	Written down value method

d) Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

- e) Individual assets costing less than Rs.10,000/- are not capitalized.
- f) The Management's estimates of the useful life of various categories of fixed assets where estimates of useful life are lower than the useful life specified in Schedule II are as under:

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

V Research and Development Expenses

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

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

VI IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortized historical cost.

VII INVESTMENTS:

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reasons for the reduction no longer exist.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment

VIII INVENTORIES:

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

The inventories (including traded goods) are valued at lower of cost and net realizable value after providing for cost of obsolescence wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition.

(a)	Raw Materials	Lower of cost and net realizable value. Cost is determined using First In First Out (FIFO) method for valuation of inventories.
(b)	Work-in-Progress	Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.
(c)	Finished Goods	Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
(d)	Catalyst	Lower of cost and net realizable value. Cost of Catalyst is expensed over its estimated useful life.
(e)	Stores and Spare parts	Lower of cost and net realizable value. Stores and spares consists of packing materials, engineering spares (such as machinery spare parts) and consumables (such as lubricants, cotton waste and oils), which are used in operating machines or consumed as indirect materials in the manufacturing process, had been valued at cost based on a weighted average cost method.

IX EMPLOYEE BENEFITS :
Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognized provident funds and approved superannuation schemes which are defined contribution plans are recognized as an employee benefit expense in the statement of profit and loss as and when the services are received from the employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of gratuity plan, which is a defined benefit plan, and certain other defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

Retirement and other 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, and performance incentive paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund and

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

superannuation etc. recognized as actual amounts due in period in which the employee renders the related services.

- (i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contribution to the fund accrues. There are no obligations other than the contribution payable to the recognized Provident Fund.
- (ii) Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The scheme is funded with an Insurance Company in the form of a qualifying insurance policy.
- (iii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- (iv) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.
- (v) Actuarial gains/losses are recognized immediately to the statement of profit and loss and are not deferred.

X FOREIGN CURRENCY TRANSLATION:

Initial recognition:

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

Conversion:

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

Exchange difference on non-integral operations:

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

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.

Forward Exchange Contracts:

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

XI BORROWING COSTS:

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

XII LEASE RENTALS:

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

Finance leases

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Other leases are operating leases, and the leased assets are not recognized on the Company's balance sheet.

- a. In respect of operating lease agreements entered into by the Company as a lessee, the lease payments are recognized as expense in the statement of profit and loss over the lease term.
- b. In respect of operating lease agreement entered into by the Company as a lessor, the initial direct costs are recognized as expenses in the year in which they are incurred.

XIII EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

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

XIV TAXATION:

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

XV PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions:

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

Contingent Liability:

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

Contingent liabilities are disclosed for:-

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

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

XVI CASH AND CASH EQUIVALENTS

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

XVII CASH FLOW STATEMENT:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
C.1 Share Capital		
Authorised		
15,000,000 (15,000,000) Equity shares of Rs. 10/- each	150,000,000	150,000,000
10,000,000 (10,000,000) Unclassified shares of Rs. 10/- each	100,000,000	100,000,000
	250,000,000	250,000,000
Issued		
10,242,812 (10,242,812) Equity shares of Rs 10/- each	102,428,120	102,428,120
Subscribed and fully paid up		
10,238,812 (10,238,812) Equity shares of Rs 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 Rs.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 shareholders holding more than 5%

Name of the Entity	As at 31st March 2015		As at 31st March 2014	
	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 Rs. 22,500/-.

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

C.2 Reserves and surplus

	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
Securities Premium Account		
As per last Balance Sheet	197,069,526	197,069,526
General reserve		
As per last Balance Sheet	428,252,062	428,252,062
Foreign Currency Translation Reserve		
As per last Balance Sheet	98,295,413	89,556,032
Add: Exchange fluctuation on long term loans and advances in relation to non-integral foreign operations	16,010,275	38,172,430
Less: Transfer to statement of profit and loss on repayment of long term loans and advances in relation to non-integral foreign operations	-	(29,433,049)
	114,305,688	98,295,413
Surplus		
As per last Balance Sheet	597,812,216	562,131,843
Less: Adjustment related to depreciation pursuant to provisions of Schedule II (Net of tax Rs.11,727,299) (Refer Note E .7)	(22,774,904)	-
Add: Profit for the year	142,039,197	35,680,373
	717,076,509	597,812,216
Less: Appropriations		
Proposed dividend (Refer note a)	40,964,248	-
Tax on proposed dividend	8,339,502	-
Total appropriations	49,303,750	-
Balance at the end of the year	667,772,759	597,812,216
Total	1,407,400,035	1,321,429,217

a) The Board of Directors at their Meeting held on 6th May 2015 has recommended a dividend of Rs.4 (Rupees Four only) (Previous Year NIL) per equity share of Rs.10/- each for the year ended March 31, 2015.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
C.3 Long term borrowings		
Term loans (secured)		
<u>From Institutions</u>		
(a) Export Import Bank of India Overseas Investment Finance Loan (refer note I.a and I.c.a below)	15,670,000	75,275,000
(b) Export Import Bank of India Long term Working Capital Demand Loan (refer note I.b and I.c.b below)	20,000,000	100,000,000
	<u>35,670,000</u>	<u>175,275,000</u>
<u>Deferred payment liabilities (unsecured)</u>		
Sales tax deferment loan from the Government of Tamilnadu (interest free) (refer note II.a below)	17,294,940	25,891,899
	<u>52,964,940</u>	<u>201,166,899</u>
I. In respect of term loans from banks and financial institutions, terms of repayments and nature of security are given below:		
a. Export Import Bank of India Overseas Investment Finance loan is repayable in 16 equal quarterly installments starting from July 2012 up to April 2016. The loan is secured by First Pari Passu charge on Movable fixed assets and Immovable assets of the Company at Ranipet, Tamilnadu.		
b. Export Import Bank of India Working Capital Demand Loan is repayable in 16 equal quarterly installments starting from July 2012 up to April 2016. The loan is secured by First Pari Passu charge on Movable fixed assets and Immovable assets of the Company at Ranipet, Tamilnadu.		
c. The interest rates for the above vary as below:		
a. for foreign currency loans		
- Export Import Bank of India Overseas Investment Finance Loan : LIBOR + 450 basis points		
b. for rupee term loans : 11.00 % to 14.80 % per annum. Previous Year (11.07 % to 15.25% per annum.)		
II. Deferred payment liabilities		
a. Deferral of sales tax liabilities represent interest free deferred sales tax loan received from Government of Tamilnadu. Repayable up to 2016-17 based on the deferment availed in the respective years. In case of default in repayment of ' Deferred sales tax liabilities ' the movable and immovable properties of the company are liable to be attached / proceeded towards the realization of outstanding Government loan under Revenue Recovery Act.		
C.4 Deferred tax liability (net)		
Deferred Tax Liability		
On account of timing difference in		
Depreciation (Refer Note E.7)	156,339,791	166,442,220
Total	<u>156,339,791</u>	<u>166,442,220</u>
Deferred Tax Assets		
On account of timing difference in		
Adjustments on account of gratuity provision	22,554,025	20,286,580
Provision for privilege leave etc.	6,083,808	6,525,335
Provision for doubtful debts, deposits, DEPB etc.	6,011,061	3,931,510
Other disallowances under Section 43B of Income Tax Act, 1961	1,460,969	2,226,790
Total	<u>36,109,863</u>	<u>32,970,215</u>
Deferred Tax Liability (Net)	<u>120,229,928</u>	<u>133,472,005</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
C.5 Long term provisions		
Provision for employee benefits (refer note D.1)		
Gratuity (non funded)	59,024,614	53,365,794
Compensated absences (non funded)	14,841,575	15,745,258
	<u>73,866,189</u>	<u>69,111,052</u>
C.6 Short term borrowings		
(a) Loan payable on Demand (secured)		
From banks		
Working Capital Demand Loan (refer note I & iii.b below)	278,700,000	364,300,000
Cash Credit/Export Credit Accounts (refer note I & iii.b below)	304,034,578	715,222,388
Bills purchased / discounted (refer note I & iii.b below)	43,941,653	8,491,247
(b) Other loans and advances (secured)		
Export Import Bank of India Pre/Post Shipment (refer note ii & iii.a below)	-	59,461,442
	<u>626,676,231</u>	<u>1,147,475,077</u>
i. Working Capital Demand Loan/Cash credit/Export accounts and Bills purchased / discounted are secured by hypothecation of stock of raw materials, work in progress, finished goods and book debts and secured by a second charge on all of the Company's immovable fixed assets both present and future.)		
ii. 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 (those financed by Export Import Bank of India) and secured by a second charge on all of the Company's immovable fixed assets both present and future.)		
iii. The interest rates in case of loans vary as below :		
a. for foreign currency loans		
- Export Import Bank of India Pre/Post Shipment : LIBOR + 450 basis points		
b. for other rupee loans : 12.20 % to 14.50% per annum Previous Year (10.60 % to 14.40% per annum.)		
C.7 Trade payables		
Other trade payables	668,162,161	1,460,642,276
	<u>668,162,161</u>	<u>1,460,642,276</u>
Out of trade payables, Rs. 499,865 (Previous year Rs.510,690) pertain to micro, small, medium enterprises as defined under Micro, Small, and Medium Development Act, 2006 based on the information available with the Company. (refer note E.2)		
C.8 Other current liabilities		
Current maturities of long term debt (refer note C.3)	151,276,958	269,591,886
Fixed deposits (refer note C 8.a)	-	257,334,000
Book overdraft with banks	-	1,165,263
Unpaid dividend (refer note C.8.b)	2,743,413	3,665,515
Unpaid matured deposits and interest accrued thereon (refer note C.8.b)	1,060,572	469,999
Deposits from service providers	4,967,440	4,878,704
Interest Accrued but not due on loans	621,506	12,645,648
Payable to statutory authorities	46,553,111	51,968,944
Advances from customers	3,054,901	902,570
Amounts due to consignment agents	14,108,858	13,625,965
Directors remuneration payable	3,898,072	290,678
Direct recourse under LC bills discounted	799,246,045	828,604,879
Other payables	21,818,062	36,022,372
	<u>1,049,348,938</u>	<u>1,481,166,423</u>
a. As per provisions of Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014, all the fixed deposits accepted from public and outstanding as on 31.03.2014 were repayable within one year there from.		
b. Unpaid dividend, unpaid 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 2015

	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
C.9 Short term provisions		
Provision for employee benefits (refer note D.1)		
Gratuity (non funded)	6,145,362	6,318,171
Compensated absences (non funded)	2,737,621	3,452,552
Other employee benefits	3,240,357	8,822,945
Provision for taxes	9,783,230	5,075,149
(Net of MAT credit availed NIL (P.Y Rs.9,994,140) and advance tax)		
Proposed dividend	40,964,248	-
Tax on proposed dividend	8,339,502	-
	71,210,320	23,668,817

C.10 Fixed Assets - Tangible

(Amount in Rs.)

Description	Gross block				Depreciation					Net block	
	As at 1st April 2014	Additions	Sales/ disposals	As at 31st March 2015	As at 1st April 2014	Charge for the Period	Recouped on sale	Transfer To Retained earnings *	Depreciation Up to 31st March 2015	As at 31st March 2015	As at 31st March 2014
Tangible assets											
Freehold Land	3,749,329	-	-	3,749,329	-	-	-	-	-	3,749,329	3,749,329
Lease hold land (refer note D.4 c)	97,033,326	5,025,166	-	102,058,492	2,940,416	1,183,159	-	-	4,123,575	97,934,917	94,092,910
Buildings and Roads	129,243,365	-	-	129,243,365	59,734,187	3,414,147	-	23,642	63,171,976	66,071,389	69,509,178
Plant and equipment	1,961,275,347	68,838,262	-	2,030,113,609	1,493,856,614	44,323,228	-	32,266,989	1,570,446,831	459,666,778	467,418,733
Wind operated generators	165,023,000	-	-	165,023,000	100,957,737	3,482,481	-	-	104,440,218	60,582,782	64,065,263
Furniture and fixtures	9,792,745	346,508	-	10,139,253	6,080,636	1,323,944	-	163,797	7,568,377	2,570,876	3,712,109
Vehicles	13,631,206	2,481,667	-	16,112,873	8,621,672	2,141,418	-	26,132	10,789,222	5,323,651	5,009,534
Office equipment	16,226,616	395,860	1,549,159	15,073,317	8,115,028	4,180,736	1,490,200	1,193,116	11,998,680	3,074,637	8,111,588
Computer equipments	14,234,992	1,258,510	4,770,082	10,723,420	12,485,804	1,338,216	4,624,501	808,873	10,008,392	715,028	1,749,188
Details of Assets used for R & D											
Plant and equipment	78,230,520	-	-	78,230,520	28,406,916	7,729,640	-	-	36,136,556	42,093,964	49,823,604
Furniture, fixtures and office equipments	8,592,258	-	-	8,592,258	5,781,086	933,802	36,898	19,654	6,697,644	1,894,614	2,811,172
Total	2,497,032,704	78,345,973	6,319,241	2,569,059,436	1,726,980,096	70,050,771	6,151,599	34,502,203	1,825,381,471	743,677,965	770,052,608
Previous year	2,925,005,748	12,182,761	440,155,805	2,497,032,704	2,002,057,506	122,100,129	397,177,539	-	1,726,980,096	770,052,608	922,948,243

* (Refer Note E 7)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
C.11 Non-Current Investments		
Trade investments (At cost)		
<u>Investment in subsidiaries</u>		
Tarderiv International Pte. Ltd., Singapore		
<u>In equity instruments</u>	22,480,000	22,480,000
(Representing 100% equity share capital of subsidiary) 500,000 (500,000) equity shares of US\$ 1 each fully paid up		
<u>In preference equity shares</u>	248,109,450	248,109,450
5,500,000 (5,500,000) 5% non-cumulative preference shares of US\$ 1 each fully paid up The above shares are redeemable at the call option of the investee		
(A)	270,589,450	270,589,450
Other investments (At cost)		
<u>In equity instruments</u>		
<u>Quoted (At Cost)</u>		
Neyveli Lignite Corporation Ltd.	313,958	313,958
5,000 (5,000) equity shares of Rs. 10 each fully paid up		
Piramal Enterprises Limited	122,728	122,728
(Earlier known as Piramal Healthcare Limited)		
1,409 (1,409) equity shares of Rs. 2 each fully paid up		
Piramal Phytocare Limited	25,727	25,727
(Earlier known as Piramal Life Science Limited)		
137(137) equity shares of Rs. 10 each fully paid-up		
Tata Power Limited	7,699	7,699
500 (500) equity shares of Rs.1 each		
Ultramarine & Pigments Limited	53,775,623	53,775,623
3,044,800 (3,044,800) equity shares of Rs. 2 each fully paid-up		
Resins and Plastics Ltd.	-	300,000
NIL (10,000) equity shares @ Rs.10 each fully paid-up		
(B)	54,245,735	54,545,735
<u>Quoted (At realisable value)</u>		
Futuristic Offshore Services and Chemicals Ltd.	1,050	1,050
(Earlier known as Ganesh Anhydride Ltd.)		
100 (100) equity shares @ Rs.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 @ Rs.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 @ Rs.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
<u>Unquoted (At Cost)</u>		
Kamer Co-operative Housing Society Limited	250	250
5 (5) equity shares @ Rs.50 fully paid up		
Piramal Glass Limited	620	620
62 (62) equity shares of Rs. 10 each fully paid-up		
The Sarawat Co-operative Bank Ltd	20,000	20,000
200 (200) equity shares @ Rs. 100 each fully paid up		
unquoted non traded investments	-	-
(D)	20,870	20,870
(E) = (A+B+C+D)	324,869,305	325,169,305
Aggregate amount of Quoted Investments	54,258,985	54,558,985
Market value of Quoted Investments	199,301,339	155,991,539
Aggregate amount of Unquoted Investments	270,610,320	270,610,320
Aggregate provision for diminution in value of investments	154,634	154,634

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
C.12 Long-term loans and advances		
Unsecured and considered good		
Capital advances	-	691,075
Security deposits	8,978,038	5,870,332
Loans and advances (to wholly owned subsidiary companies) (Refer Note no : E.3 and E.4)	422,739,288	406,729,017
Taxes paid in advance (Net of provision for tax)	<u>97,146,569</u>	<u>113,964,754</u>
	528,863,895	527,255,178
Unsecured and considered doubtful		
Security deposits	285,047	715,972
less: provision for doubtful deposits	<u>(285,047)</u>	<u>(715,972)</u>
	<u>-</u>	<u>-</u>
	528,863,895	527,255,178
C.13 Other non-current assets		
Unsecured and considered good		
Other loans and advances	<u>660,971</u>	<u>1,432,097</u>
	660,971	1,432,097
C.14 Inventories (valued at lower of cost and net realizable value)		
Stores and spares	67,604,529	59,208,000
Fuel	2,115,000	4,197,000
Packing materials	3,035,000	3,381,000
Raw materials	363,232,571	1,029,696,478
Catalyst	62,841,899	104,782,205
Finished goods	124,441,000	546,146,724
Excise duty paid in advance for goods with agents and depots	9,089,210	30,314,276
Work in progress	70,705,000	123,887,000
Stock of trading items	<u>3,400,677</u>	<u>699,352</u>
	706,464,886	1,902,312,035
Note:		
a. Raw material includes material in transit Rs. 7,206,571 (Previous Year Rs. 561,552,049)		
b. Finished Goods includes material in transit Rs.49,699,196 (Previous Year Rs. 122,739,833)		
C.15 Trade receivables		
Unsecured and considered good		
Debts outstanding for a period exceeding six months from due date	57,609,331	10,995,397
Other debts	<u>1,377,937,278</u>	<u>1,895,517,243</u>
	1,435,546,609	1,906,512,640
Unsecured and considered doubtful		
Debts outstanding for a period exceeding six months from due date	17,083,945	6,385,777
less: provision for doubtful debts	<u>(17,083,945)</u>	<u>(6,385,777)</u>
	<u>-</u>	<u>-</u>
	1,435,546,609	1,906,512,640
C.16 Cash and Bank balances		
a. <u>Cash and Cash Equivalents</u>		
Cash on hand	270,299	386,436
<u>Balance with banks</u>		
In current accounts	<u>4,941,215</u>	<u>82,594,346</u>
(Includes cheques in hand Rs.NIL (Previous year Rs.19,850,944)	5,211,514	82,980,782
b. <u>Other bank balances</u>		
Short-term bank deposits with maturity after 3 months but before 12 months	20,062,041	10,110,720
In Margin money account against letters of credit issued by banks	54,900,298	92,269,151
<u>Earmarked balances with banks</u>		
Unpaid dividend	2,743,413	3,665,515
Unpaid interest	<u>32,782</u>	<u>45,732</u>
	82,950,048	189,071,900

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
C.17 Short-term loans and advances		
Unsecured, Considered Good		
Balance with customs and excise	28,010,262	46,422,205
Cenvat claimable	25,647,225	86,738,463
Staff advances	3,029,013	2,522,450
	<u>56,686,500</u>	<u>135,683,118</u>
C.18 Other current assets		
Unsecured, Considered Good		
Other loans and advances		
Advance to suppliers	14,701,302	40,707,227
To Wholly owned subsidiary company (Refer Note no : E.3 and E.4)	150,972,848	17,066,168
Assets held for disposal	12,802,972	18,000,000
Other loans and advances (Refer note.E.6)	110,384,505	75,705,384
	<u>288,861,627</u>	<u>151,478,779</u>
Considered doubtful		
other loans and advances recoverable in cash or in kind or value to be received		4,464,916
less: provision for doubtful loans and advances		<u>(4,464,916)</u>
	<u>288,861,627</u>	<u>151,478,779</u>
	Year ended 31st March 2015 Rs.	Year ended 31st March 2014 Rs.
C.19 Revenue from Operations		
Sales		
Manufactured goods	10,103,829,189	11,320,481,431
Traded goods	53,733,537	81,602,846
Gross sales	10,157,562,726	11,402,084,277
Less: Excise duty recovered on sales	956,445,886	1,126,196,685
Net sales	<u>9,201,116,840</u>	<u>10,275,887,592</u>
Other operating revenues:		
Sales of power from wind operated generators	12,014,213	13,666,685
Income from letting out of storage facility	28,389,990	24,634,037
Duty Drawback benefit	8,844,810	11,237,709
Export incentive	2,807,923	10,602,201
Sale of scrap (Net of taxes recovered)	12,294,405	12,041,922
	<u>9,265,468,181</u>	<u>10,348,070,146</u>
Details of products sold		
Organic and other chemicals	10,103,829,189	11,320,481,431
	<u>10,103,829,189</u>	<u>11,320,481,431</u>
Details of trading sales		
Chemicals	30,205,149	60,296,312
Machinery items	23,528,388	21,306,534
	<u>53,733,537</u>	<u>81,602,846</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	Year ended 31st March 2015 Rs.	Year ended 31st March 2014 Rs.
C.20 Other Income		
Interest Income (Gross)	54,950,847	53,294,914
(Tax Deducted at Source Rs. 4,663,933 (Previous Year Rs.4,221,715))		
Interest income pertaining to earlier year Rs. NIL (Previous Year Rs.781,374)		
Dividend Income from long term investments	7,743,010	6,918,295
Profit on sale of assets (net of loss on sales / scraping of asset)	24,382,613	29,104,625
Profit on sale of long term investments	600,000	-
Rent received	4,233,274	4,028,854
Excess provisions / Sundry balances written back	10,213,046	821,588
Gain on foreign currency transaction / translation	4,675,712	27,837,551
Expenses and Services recharged	19,882,091	28,662,211
Insurance claims received	17,998,008	447,649
Miscellaneous receipts	6,682,764	7,323,081
	<u>151,361,365</u>	<u>158,438,768</u>
C.21 Cost of Materials consumed		
Raw materials, process chemicals and catalyst consumed		
Stock at commencement	1,134,014,205	979,056,410
Add: Purchases	6,477,745,038	8,691,769,175
	<u>7,611,759,243</u>	<u>9,670,825,585</u>
Less: Sales	21,721,308	23,959,082
Less: Stock at close	426,074,470	1,134,014,205
	<u>7,163,963,465</u>	<u>8,512,852,298</u>
<u>Details of Raw Materials Consumed</u>		
Organic and other chemicals	<u>7,163,963,465</u>	<u>8,512,852,298</u>
	<u>7,163,963,465</u>	<u>8,512,852,298</u>
C.22 Purchases of stock in trade		
Traded goods		
Purchase of organic and other chemicals	28,841,428	51,562,876
Purchase of machinery and spares	22,907,493	15,647,462
	<u>51,748,921</u>	<u>67,210,338</u>
C.23 Changes in stock		
Inventories at the end of the year		
Finished goods	124,441,000	546,146,724
Work in progress	70,705,000	123,887,000
<u>Stock of Trading items</u>		
Chemicals	155,896	508,683
Machinery and spares	3,244,781	190,669
	<u>198,546,677</u>	<u>670,733,076</u>
Inventories at the beginning of the year		
Finished goods	546,146,724	576,821,959
Work in progress	123,887,000	227,835,836
<u>Stock of trading items</u>		
Chemicals	508,683	1,092,361
Machinery and spares	190,669	776,775
	<u>670,733,076</u>	<u>806,526,931</u>
Excise duty on closing stock (net)	28,162,955	32,087,582
Changes in inventory	<u>444,023,444</u>	<u>103,706,273</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	Year ended 31st March 2015 Rs.	Year ended 31st March 2014 Rs.
Trading stocks		
i. <u>Chemicals</u>		
Opening Stock	508,683	1,092,361
Purchase	28,841,428	51,562,876
Sales	30,205,149	60,296,312
Closing Stock	155,896	508,683
ii. <u>Machinery items</u>		
Opening Stock	190,669	776,775
Purchases	22,907,493	15,647,462
Sales	23,528,388	21,306,534
Closing Stock	3,244,781	190,669
C.24 Employees benefits expense		
Salaries, wages, bonus, etc (Includes salary for previous year Rs.NIL (Previous Year Rs.4,000,000))	187,938,178	208,456,329
Whole Time Directors remuneration	10,553,752	5,476,000
Contribution to provident fund and other funds	19,364,377	18,599,714
Staff welfare expenses	8,285,160	8,990,574
	<u>226,141,467</u>	<u>241,522,617</u>
Provision for gratuity and leave encashment on actuarial basis based on the contractual terms of appointment of Directors is included in salaries,wages and bonus etc.		
C.25 Finance costs		
Interest expense	282,942,118	363,923,031
Exchange loss on foreign currency loan	5,319,888	45,018,937
Interest on income tax	2,418,946	818,550
Bank charges	40,373,262	44,462,980
	<u>331,054,214</u>	<u>454,223,498</u>
Interest expense includes interest on Letter of Credit discounting Rs. 102,714,165 (Previous year Rs.119,545,210)		
C.26 Other expenses		
Stores and spares consumed	35,092,477	69,666,127
Power and fuel	198,157,333	284,660,859
<u>Repairs to:</u>		
Machinery	29,922,868	46,097,061
Buildings	12,798,938	17,504,258
Others	3,753,683	6,058,442
Packing expenses and materials consumed	89,898,299	73,603,571
Freight and forwarding	363,158,516	296,788,926
Commission and brokerage	24,857,146	20,773,506
Rent (Refer note D.4)	4,948,812	3,473,473
Rates and taxes	5,023,545	3,019,007
Insurance	9,376,840	10,455,943
Travelling and conveyance	26,234,908	20,446,412
Communication expenses	5,153,682	4,015,077
Research and development expenses (Refer note E.1)	12,406,569	11,607,259
Payment to auditors (Refer note C.27)	2,060,000	1,910,000
Expenses on wind operated generators	3,061,610	3,472,472
Legal and professional charges	19,006,041	14,059,736
Commission to non-executive directors	1,954,346	290,678
Bad debts/ Sundry balance written off	592,745	3,975,353
Provision for doubtful debts	10,698,167	6,385,778
Excise duty expenses	607,814	5,287,347
Donation (Refer note E.8)	3,300,000	5,012,500
Cash discounts and rebates	26,187,231	11,919,899
Miscellaneous expenses (Includes previous year expenditure Rs. 78,634 (Previous Year Rs. 900,936))	46,239,774	49,989,109
	<u>934,491,344</u>	<u>970,472,793</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	Year ended 31st March 2015 Rs.	Year ended 31st March 2014 Rs.		
C.27 Payment to Auditors (Excluding service tax)				
Particulars				
Audit fees	900,000	825,000		
For Limited review and Other certification	575,000	550,000		
For Taxation and other matters	360,000	360,000		
For Tax Audit	225,000	175,000		
	2,060,000	1,910,000		
C.28 Value of Imports on C.I.F. Basis				
Particulars				
i) Raw materials	311,312,260	274,327,843		
ii) Spare part and others	23,958,526	17,524,395		
iii) Capital goods	-	10,084,034		
iv) Catalyst	-	49,597,907		
C.29 Expenditure in Foreign Currency : Travelling, interest and others	35,608,956	30,412,496		
C.30 Imported and Indigenous raw material, components and spares consumed				
	2014-2015	2014-2015	2013-14	2013-14
	Rs.	%	Rs.	%
<u>Raw Materials</u>				
Imported	381,112,461	5.32	345,407,868	4.06
Indigenous	6,782,851,004	94.68	8,167,444,430	95.94
	7,163,963,465	100.00	8,512,852,298	100.00
<u>Stores and Spares</u>				
Imported	2,235,886	6.37	15,454,155	22.18
Indigenous	32,856,591	93.63	54,211,972	77.82
	35,092,477	100.00	69,666,127	100.00
C.31 Earnings in Foreign Exchange			2014-2015	2013-2014
			Rs.	Rs.
On export of goods calculated on FOB Basis			1,054,928,491	718,699,552
Interest income			25,638,259	28,795,576
Expenses and Services recharged			19,882,091	28,662,211
			2014-2015	2013-2014
			Rs.	Rs.
C.32 Commitments and contingent liabilities				
(A) <u>Commitments/contingent liabilities</u>				
(i) Estimated amount of contracts to be executed on capital account and not provided for			-	12,502,130
Against which advances paid			-	691,075
(ii) Guarantees issued by Banks on behalf of Company			41,200	95,229
(iii) Bond in favour of excise authorities			160,000	160,000
(iv) Corporate Guarantee issued to a bank for Wholly Owned Step Down Subsidiary			533,446,809	587,047,000
(B) <u>Claims against the Company not acknowledged as debts in respect of following items:</u>				
(i) The Sales Tax authorities have issued notices to the Company whereby the authorities have disputed the method of availment of deferral sales tax on monthly pro-rata basis for the period April 2000 to April 2006 amounting to Rs.8,448,007 (Previous year Rs. 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 crystallize on this account.				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

- (ii) The company had received a demand of Rs. 99,363,453 (Previous Year Rs. 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 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 matter was heard by the Foreign Exchange Appellate Tribunal in April 2015 and the final order is awaited. The Company does not expect any liability to crystallise on this account.

- (iii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of Rs. 12,114,057 (Previous Year Rs. 39,668,926) 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 Rs 10,566,447. (Previous Year Rs.29,102,479).

(C) Other Commitments:

The company has been allotted a plot in 2011 in Dahej by Gujarat Industrial Development Corporation for setting up a manufacturing facility. In terms of the said allotment the company has paid the consideration. Necessary procedure to get possession of land by entering into a lease agreement is under process. The company is obligated to set up a manufacturing facility within the specified period as per the terms and condition of allotment.

D. Disclosure in accordance with Accounting Standards as notified by the Companies (Accounts) Rules, 2014.

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

i. Defined Contribution Plans :

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

Particulars	2014-2015	2013-2014
	Rs.	Rs.
(i) Contribution to Employees' Provident Fund *	13,307,566	12,450,048
(ii) Contribution to Employees' State Insurance Fund	956,433	1,268,773
(iii) Contribution to Employees' Superannuation Fund **	6,864,994	6,423,706
Total	21,128,993	20,142,527

* Rs. 470,840 (Previous Year Rs.568,341) included in Research and Development Expenses and Rs. 838,750 (Previous Year Rs.576,000) Included in Director's remuneration

** Rs.206,588 (Previous Year Rs.298,472) included in Research and Development Expenses and Rs.248,438 (Previous Year Rs. 100,000) 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

	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
	Rs.	Rs.
a) Obligation at the year beginning	59,683,965	47,899,525
b) Interest Cost	5,455,114	3,831,962
c) Past Service Cost	Nil	Nil
d) Current Service Cost	3,681,928	2,819,641
e) Past Service Cost – Vested Benefit	Nil	Nil
f) Current Cost/ (Credit)	Nil	Nil
g) Settlement Cost/ (Credit)	Nil	Nil
h) Benefits Paid	(7,406,872)	(2,734,155)
i) Actuarial (Gain) / Loss	3,755,841	7,866,992
j) Obligation at the year end	65,169,976	59,683,965

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015
B. Expenses recognized in the Profit and Loss Account in respect of gratuity benefits

	For the Year Ended March 31, 2015 Rs.	For the Year Ended March 31, 2014 Rs.
a) Current Service Cost	3,681,928	2,819,641
b) Past Service Cost	Nil	Nil
c) Interest Cost	5,455,114	3,831,962
d) Past Service Cost – Vested Benefit	Nil	Nil
e) Curtailment Cost / (Credit)	Nil	Nil
f) Settlement Cost/ (Credit)	Nil	Nil
g) Net Actuarial (Gain)/ Loss	3,755,841	7,866,992
h) Employees' Contribution	Nil	Nil
i) Total Expenses recognized in Profit and Loss A/c	12,892,883	14,518,595

C. Following are the Principal Actuarial Assumptions used as at the Balance Sheet date :

Particulars	2014-2015 Gratuity	2013-2014 Gratuity
a) Discount Rate	7.89%	9.14%
b) Salary Escalation Rate – Management Staff	8.50%	8.38%
c) Turnover Rate	15.0%	13.0%
d) Mortality Table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

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

D. Experience Adjustment
Experience adjustment on plan liabilities (gains) / losses

	2014-15	2013-14	2012-13	2011-12	2010-11
	(6,304,712)	2,174,649	6,305,202	891,003	(136,594)

E. Other Long Term benefits

The Company's Long Term benefit includes Leave encashment payable at the time of retirement in full, otherwise 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 encashment

	For the Year Ended March 31, 2015 Rs.	For the Year Ended March 31, 2014 Rs.
a) Obligation at the year beginning	19,197,810	15,029,676
b) Actuarial (Gain) / Loss	(1,618,614)	4,168,134
c) Obligation at the year end	17,579,196	19,197,810

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)

Cheminvest Pte Ltd (Step down subsidiary) (CPL)

Optimistic organic Sdn Bhd (Step down subsidiary)(OOSB)

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

Thirumalai Charity Trust (TCT)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015
Others

Ultramarine and Pigments Ltd. (UPL)

Managerial Personnel

R.Parthasarathy (Managing Director)

Ramya Bharathram (Whole Time Director with effect from 03.11.2014)

Key Management Personnel

N Nambi Rajan (CFO)

T Rajagopalan (CS)

Relatives of Directors

S.Varadharajan

S. Narayan

Ramya Bharathram (Whole Time Director with effect from 03.11.2014)

Details of transactions with above parties

Particulars		Companies in which the company has substantial interest				Directors / Relatives / Key Management Personnel			Directors and Relatives of Directors	Total
		Optimistic Organic Sdn Bhd	Tarderv International Pte Ltd	Ultramarine and Pigments Ltd	Thirumalai Charity Trust	Mr. R.Parthasarathy	Mrs.Ramya Bharathram	Key Management Personnel Other than Whole Time Directors		
Remuneration to Key Managerial Persons	2014-15					9,771,729	3,891,013	5,310,169		18,972,911
	2013-14					15,895,041	-	4,626,877		20,521,918
Purchase of Goods	2014-15	302,510,227		34,546						302,544,773
	2013-14	279,082,585		40,764						279,123,349
Sale of Goods	2014-15	82,781,613		-						82,781,613
	2013-14	117,377,846		3,737						117,381,583
Expenses and Services recharged	2014-15			-						-
	2013-14			86,291						86,291
Rendering of Services	2014-15	16,558,544		4,462,302		12,000		-		21,032,846
	2013-14	22,133,616		4,161,248		12,000		-		26,306,864
Receiving of Services	2014-15				334,517					334,517
	2013-14			28,090	105,012					133,102
Guarantee Commission	2014-15	3,323,547								3,323,547
	2013-14	6,528,595								6,528,595
Donation given	2014-15				3,000,000					3,000,000
	2013-14				5,000,000					5,000,000
Outstanding Payables	2014-15			-	-					-
	2013-14									-
Outstanding Receivables	2014-15	547,460,719	148,527,983	341,099						696,329,801
	2013-14	343,432,838	136,466,168	322,765						480,221,771
Deposits Taken	2014-15									-
	2013-14								24,460,000	24,460,000
Interest Expenses on Deposits Taken	2014-15								3,709,501	3,709,501
	2013-14								2,977,893	2,977,893
Deposits Paid	2014-15								32,360,000	32,360,000
	2013-14								27,510,000	27,510,000
Interest Income on Loan Given	2014-15	17,926,196	7,712,063							25,638,259
	2013-14	21,081,644	7,713,931							28,795,575
Guarantee Given	2014-15	533,446,809								533,446,809
	2013-14	587,047,000								587,047,000
Outstanding Deposits Payable	2014-15			1,400,000					-	1,400,000
	2013-14			1,400,000					32,360,000	33,760,000

Remuneration paid to relative of Directors

	2014-15 Rs.	2013-14 Rs.
Ms.Ramya Bharathram (For the period 1.4.2014 to 31.10.2014)	1,598,662	2,429,442
Mr.S.Varadharajan	2,202,528	2,139,528
Mr.S.Narayan	1,799,646	1,799,646
	5,600,836	6,368,616

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015
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 Rs.2,831,828 (Previous Year Rs. 3,473,473). The said lease is cancelable at the option of the lessee at three months notice. The deposit paid in respect of the same is Rs. 1,680,255 (Previous Year Rs.1,749,255).
- 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 Rs. 1,400,000 (Previous Year Rs. 1,400,000) Lease rent received during the year and accounted as income is Rs. 3,942,629 (Previous Year Rs. 3,617,294).
- c) The company has entered into an agreement with Gujarat Industrial Development Corporation 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.(Refer Note C.32-(c))

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

The Basic and Diluted EPS is calculated as under:

Particulars	2014-2015	2013-2014
	Rs.	Rs.
Profit attributable to Equity Shareholders (Rs.)	142,039,197	35,680,373
No. of equity shares (of Rs 10 each)	10,238,812	10,238,812
Earnings Per Share	13.87	3.48

E. Other disclosures:
E.1 The Company has spent towards Research and Development expenses during the year of which are as under

Particulars	2014-2015	2013-2014
	Rs.	Rs.
Capital	-	-
Revenue (including Salaries Rs.7,552,638 (Previous year Rs. 9,517,044))	12,406,569	11,607,259
Total	12,406,569	11,607,259

E.2 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:

	2014-2015	2013-2014
	Rs.	Rs.
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	499,865	510,690
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.	NIL	(747,532)
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.	NIL	NIL

E.3 Disclosures as required under clause 32 of the listing agreement

Loans and Advances Include amount receivable from subsidiaries

Particulars	2014-2015	2013-2014
	Rs.	Rs.
Optimistic organic Sdn Bhd	425,184,153	287,329,017
Maximum amount due at any time during the year	425,184,153	411,879,337
Tarderiv International Pte Ltd	148,527,983	119,400,000
Maximum amount due at any time during the year	148,527,983	119,400,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

E.4 Long Term loans and advances

Loans and advances (to wholly owned subsidiary companies) includes an amount of Rs.298,639,288 (US\$ 4,812,881) {Previous year Rs.287,329,017 (US\$ 4,812,881)} 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 liability was taken over by OOSB on winding up of TCL (M).

OOSB has not made the repayment in 2014-15 (Previous Year Rs.186,580,069 (US\$ 3,050,000)). From 2012-13, the company is also charging simple interest @ 6% per annum on the outstanding dues, Interest amount has been received up to March 2015. OOSB performance for the year 2014-15 was affected due to frequent shut down of the plant including installation of equipment for expansion of capacity. It is expected that during the financial year 2015-16, the operations will get stabilized with the expanded capacity which will result in improved cash generation to meet the obligations including the above loans and advances.

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

Open foreign exchange exposures:

Particulars	2014-2015		2013-2014	
	Foreign Currency	Rs.	Foreign Currency	Rs.
(a) Exposure on Assets and Liabilities				
Export Receivables (USD)	3,581,842	222,253,269	1,918,154	114,513,764
Loans (USD)	6,812,881	422,739,288	6,812,881	406,729,017
Other Receivables (VARIOUS)	2,436,044	153,171,991	619,452	37,252,801
TOTAL	12,830,767	798,164,548	9,350,487	558,495,582
Import Payables (USD)	54,668	3,428,341	1,596	96,229
(EURO)			3,110	256,823
Loans (USD)	1,250,000	78,350,000	3,246,004	194,956,442
Other Payables (VARIOUS)			29,541	1,780,641
TOTAL	1,304,668	81,778,341	3,280,251	197,090,135
(b) Exposure of Forward Cover Contracts				
Forward Contract against loans payable* (USD)	-	-	750,000	48,140,000
TOTAL	-	-	750,000	48,140,000
* Forward contracts outstanding at year end for hedging loans payable				
(c) Guarantee given				
Guarantee Given to banks on behalf of step down subsidiary (in Malaysian Ringgit)	32,000,000	533,446,809	32,000,000	587,047,000
TOTAL	32,000,000	533,446,809	32,000,000	587,047,000

E.6 Loans and Advances

Loans and Advances of Staff includes amount recoverable from directors Rs. NIL (Previous Year Rs. 620,000) towards recovery of excess remuneration paid .

E.7 Effect due to change in depreciation as per Schedule II to the Companies Act, 2013

The company has during the year provided depreciation on fixed assets based on estimated life and realisable value as prescribed in Schedule II of the Companies Act, 2013, except on few assets, where different life has been estimated based on technical advice (Refer note B.IV). Till last year, the Company was providing depreciation as per rates prescribed in Schedule XIV of the Companies Act, 1956.

Following provisions of Schedule II, an amount of Rs. 51,681,001 was determined as carrying amount of assets on 1st April 2014 where remaining useful life of asset is Nil, and after retaining Rs 17,178,798 towards residual value, an amount of Rs. 22,774,904 (Net of tax of Rs.11,727,299) has been adjusted in the opening balance of the retained earnings.

Had not there been any change in useful life of assets prescribed by statutes , depreciation for the year would have been higher by Rs.514 Lakhs.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015
E.8 Corporate Social Responsibility (CSR)

The company has contributed Rs.3,000,000 (Rupees Thirty lakhs only) towards CSR activities to a Trust during the year. The same has been included in Donation in note no. C-26. There is a short fall of Rs.372,000 towards spending on CSR as required under section 135 of the Companies Act, 2013.

E.9 Appointment of Whole Time Director

Mrs. Ramya Bharathram, a relative of Directors has been appointed as Whole Time Director with effect from 3rd November, 2014. Remuneration with effect from this date is subject to Shareholders approval.

E.10. The company has given loans / investments / issued guarantee as under.

Particulars	Purpose for which amount is utilised	Amount as on 31.03.2015	Amount as on 31.03.2014
Optimistic organic Sdn Bhd Guarantee given	Corporate guarantee provided in favour of wholly owned step down subsidiary as collateral security for borrowing facilities from Banks	533,446,809	587,047,000
Tarderiv International Pte Ltd Loan given	For long term Investments in wholly owned step down subsidiaries	124,100,000	119,400,000
Investment made			
500,000 (500,000) equity shares of US\$ 1 each fully paid up	For long term Investments in wholly owned step down subsidiaries	22,480,000	22,480,000
5,500,000 (5,500,000) 5% non-cumulative preference shares of US\$ 1 each fully paid up	For long term Investments in wholly owned step down subsidiaries	248,109,450	248,109,450

E.11 Previous Year's Figures

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

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

For and on behalf of the Board of Directors

**CNK & ASSOCIATES LLP
CHARTERED ACCOUNTANTS**

**R. PARTHASARATHY
MANAGING DIRECTOR
(DIN: 00092172)**

**R. RAVI SHANKAR
INDEPENDENT DIRECTOR
(DIN:01224361)**

**H. V. KISHNADWALA
PARTNER**

**N. NAMBI RAJAN
CHIEF FINANCIAL OFFICER**

**T. RAJAGOPALAN
COMPANY SECRETARY**

MUMBAI, 6TH MAY, 2015

CHENNAI, 6TH MAY, 2015

CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THIRUMALAI CHEMICALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Thirumalai Chemicals Limited ("the Holding Company") and its subsidiaries ("the Group"), comprising of the Consolidated Balance Sheet as at 31 March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. The respective Board of Directors of the companies included in the Group are responsible for the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the entity has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on financial statements the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group, as at 31st March 2015, the consolidated profit and the consolidated cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to following matters in the notes to the consolidated financial statements

We refer to Note E.5 to the consolidated financial statements regarding appointment of and remuneration of Rs.38, 91,013 paid to a whole time director during the year as approved by the Board of Directors. The same is subject to ratification and approval by members in ensuing annual general meeting.

Our opinion is not modified in respect of this matter.

Other Matters

- (a) We did not audit the financial statements of three (3) subsidiaries, whose financial statements reflect total assets (net) of Rs. 65.86 crore as at 31st March, 2015, total revenues of Rs. 170.59 crore and net cash flows amounting to Rs.(724,503) for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management. They have submitted their audit opinions, prepared under generally accepted auditing standards of their respective countries, to the Board of Directors of the respective companies, copies of which have been provided to us by the Company. The management of the Company has converted these audited financial statements of the Company's subsidiaries as per accounting principles generally accepted in India for the purpose of preparation of the consolidated financial statements. Our opinion on the consolidated financial statements, insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors in respective countries and the aforesaid conversion undertaken by the management; examined by us on a test basis.
- (b) Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

For CNK & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W

Place: Mumbai
Date: 6th May, 2015

H. V. Kishnadwala
Partner
Membership No.: 37391

Calculation of total assets, total Revenue and net Cash flow

	TIPL (US\$)	TIPL(INR)	CPL(US\$)	CPL(INR)	OOSB(RM)	OOSB(INR)	Total (INR)
Assets	9,119,996	570,820,550	8,933,222	559,130,365	39,960,296	2,363,929,399	3,493,880,314
less: Liabilities	7,921,285	495,793,228	8,722,854	545,963,432	106,190,835	1,793,563,203	2,835,319,863
Total Assets	1,198,711	75,027,321	210,368	13,166,933	33,769,461	570,366,196	658,560,451
Revenue	304,402	19,052,521	320,226	20,042,945	98,685,878	1,666,804,479	1,705,899,946
Net cash flows	(80)	(5,007)	(11,113)	(695,563)	(1,417)	(23,933)	(724,503)

Exchange rates taken are the same that are used for consolidation of accounts

Exchange rates taken are the same that are used for consolidation of accounts

For US\$	Closing US\$ rate	62.59
For RM	Average RM rate	16.89

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No.	All amounts in Indian rupees	
		As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders funds			
(a) Share capital	C.1	102,410,620	102,410,620
(b) Reserves and surplus	C.2	1,828,586,054	2,048,535,979
		<u>1,930,996,674</u>	<u>2,150,946,599</u>
(2) Non-current liabilities			
(a) Long-term borrowings	C.3	388,124,113	595,186,899
(b) Deferred tax liabilities (net)	C.4	201,519,652	206,633,432
(c) Long-term provisions	C.5	73,866,189	69,111,052
		<u>663,509,954</u>	<u>870,931,383</u>
(3) Current liabilities			
(a) Short-term borrowings	C.6	792,507,378	1,350,403,003
(b) Trade payables	C.7	875,701,227	1,645,664,498
(c) Other current liabilities	C.8	1,133,604,048	1,528,924,662
(d) Short-term provisions	C.9	71,778,832	28,111,647
		<u>2,873,591,485</u>	<u>4,553,103,810</u>
TOTAL		<u>5,468,098,113</u>	<u>7,574,981,792</u>
II. ASSETS			
Non-current assets			
(1) (a) Fixed Assets			
(i) Tangible assets	C.10	2,433,305,275	2,304,551,963
(ii) Capital work-in-progress		65,580,035	181,145,466
(b) Non-current investments	C.11	54,279,855	54,579,855
(c) Long-term loans and advances	C.12	106,124,607	149,690,631
(d) Other non-current assets	C.13	660,971	1,432,097
		<u>2,659,950,743</u>	<u>2,691,400,012</u>
(2) Current assets			
(a) Inventories	C.14	979,712,411	2,081,038,971
(b) Trade receivables	C.15	1,518,071,091	2,307,575,964
(c) Cash and cash equivalents	C.16	105,925,798	214,414,140
(d) Short-term loans and advances	C.17	56,686,500	135,683,118
(e) Other current assets	C.18	147,751,570	144,869,587
		<u>2,808,147,370</u>	<u>4,883,581,780</u>
TOTAL		<u>5,468,098,113</u>	<u>7,574,981,792</u>

Significant accounting policies

B

Notes to financial statements

A, C, D & E

The accompanying notes are an integral part of financial statements

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

For and on behalf of the Board of Directors
**CNK & ASSOCIATES LLP
CHARTERED ACCOUNTANTS**
**R. PARTHASARATHY
MANAGING DIRECTOR
(DIN: 00092172)**
**R. RAVI SHANKAR
INDEPENDENT DIRECTOR
(DIN:01224361)**
**H. V. KISHNADWALA
PARTNER**
**N. NAMBI RAJAN
CHIEF FINANCIAL OFFICER**
**T. RAJAGOPALAN
COMPANY SECRETARY**
MUMBAI, 6TH MAY, 2015
CHENNAI, 6TH MAY, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

All amounts in Indian rupees

Particulars	Note No.	Year ended	Year ended
		31st March 2015 Rs.	31st March, 2014 Rs.
I Revenue from operations	C.19	10,722,586,057	12,762,383,365
II Other income	C.20	81,556,402	46,352,565
III Total revenue (I + II)		10,804,142,459	12,808,735,930
IV Expenses:			
Cost of materials consumed	C.21	8,031,505,192	10,177,728,824
Purchase of stock in trade	C.22	3,828,692	18,592,457
Changes in stock	C.23	470,009,119	50,727,919
Employees benefits expense	C.24	360,426,980	377,463,002
Finance costs	C.25	347,087,853	485,360,801
Depreciation and amortization	C.10	178,261,102	229,944,190
Other expenses	C.26	1,481,052,392	1,320,198,144
Total Expenses		10,872,171,330	12,660,015,337
V Profit before tax		(68,028,871)	148,720,593
VI Tax expense			
Current tax		(69,110,823)	(35,285,887)
Deferred tax		17,726,010	8,309,800
Adjustment for earlier years		(17,833,541)	(3,076,118)
VII Profit for the year		(137,247,225)	118,668,388
VIII Earnings per equity share - Par value Rs. 10 per share			
Basic and diluted		(13.40)	11.59
Significant accounting policies	B		
Notes to financial statements	A,C,D & E		

The accompanying notes are an integral part of consolidated financial statements

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

For and on behalf of the Board of Directors
**CNK & ASSOCIATES LLP
CHARTERED ACCOUNTANTS**
**R. PARTHASARATHY
MANAGING DIRECTOR
(DIN: 00092172)**
**R. RAVI SHANKAR
INDEPENDENT DIRECTOR
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**H. V. KISHNADWALA
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CHIEF FINANCIAL OFFICER**
**T. RAJAGOPALAN
COMPANY SECRETARY**
MUMBAI, 6TH MAY, 2015
CHENNAI, 6TH MAY, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

Particulars	As at 31st March 2015 Rs.	As at 31st March 2014 Rs.
(A) Cash Flow From Operating Activities		
Net profit before tax and extraordinary items	(68,028,871)	148,720,593
Adjustments for		
Depreciation	178,261,102	229,944,190
Finance Costs	347,087,853	485,360,801
Interest Income	(29,315,231)	(24,598,910)
Dividend Received	(7,743,010)	(6,918,295)
Write off of fixed assets	167,642	13,589,074
Profit on sale of investments	(600,000)	-
Effect of exchange rate change	(2,834,233)	4,750,431
	<u>485,024,124</u>	<u>702,127,291</u>
Operating Profit before Working Capital changes	416,995,253	850,847,885
Adjustments for		
(Increase) / decrease in trade and other receivables	940,798,700	493,969,176
(Increase) / decrease in inventories	1,101,326,550	(140,589,847)
Increase / (decrease) in trade and other payables	(859,685,107)	146,612,022
	<u>1,182,440,144</u>	<u>499,991,350</u>
Cash Generated From Operations	1,599,435,397	1,350,839,235
Direct tax paid (net)	(70,126,179)	(19,981,181)
	<u>(70,126,179)</u>	<u>(19,981,181)</u>
Net Cash Inflow / (Outflow) From Operations	(a) 1,529,309,218	1,330,858,054
(B) Cash Flow From Investment Activities		
Purchase of Fixed assets and Capital work in progress	(214,391,517)	(232,059,465)
Interest received	13,476,133	22,700,373
Sale/ (Purchase) of Investments (net)	900,000	-
Dividend received	7,743,010	6,918,295
Foreign currency translation reserve	(10,624,047)	42,599,506
Effect of exchange rate change	5,545,037	12,757,500
Net Cash Inflow / (Outflow) From Investing Activities	(b) (197,351,384)	(147,083,792)
(C) Cash Flow From Finance Activities		
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	(504,466,958)	(374,455,442)
Short term borrowings (net)	(558,626,793)	(271,895,000)
Interest on borrowings	(347,087,853)	(485,360,801)
Dividend paid (including dividend tax)	-	(29,947,246)
Effect of exchange rate change	(228,832)	6,610,038
Net Cash Inflow / (Outflow) From Financing Activities	(c) (1,410,410,436)	(1,155,048,451)
Net Increase / (Decrease) in Cash or Cash Equivalents (A)+(B)+(C)	(a+b+c) (78,452,605)	28,725,811
CASH AND CASH EQUIVALENTS - (OPENING)		
- Cash and Bank balance	86,381,215	57,655,404
CASH AND CASH EQUIVALENTS - (CLOSING)		
i. Cash on hand	306,663	421,529
ii. Balance with banks		
In current accounts	7,621,947	85,959,686
	<u>7,928,610</u>	<u>86,381,215</u>
TOTAL	(78,452,605)	28,725,811

Note

- Figures in the brackets represents cash outflows.
- 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

For and on behalf of the Board of Directors

CNK & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN: 00092172)

R. RAVI SHANKAR
INDEPENDENT DIRECTOR
(DIN:01224361)

H. V. KISHNADWALA
PARTNER

N. NAMBI RAJAN
CHIEF FINANCIAL OFFICER

T. RAJAGOPALAN
COMPANY SECRETARY

MUMBAI, 6TH MAY, 2015

CHENNAI, 6TH MAY, 2015

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
A. CORPORATE INFORMATION

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

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, 2015. The same is based on the audited financial results up to 31st March, 2015 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 Central Government of India under Section 133 of the Companies Act, 2013, other pronouncements of Institute of Chartered Accountants of India.

(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 into Indian rupee is performed for assets and liabilities, using the exchange rate as at the Balance sheet date and for revenues, cost and expenses using average exchange rate during the reporting period. The 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 recognized in the financial statements as goodwill or capital reserve as the case may be.

For this purpose, the Company’s share of net-worth is determined on the basis of latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

- (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 2015	% of holding either directly or through subsidiary as at 31st March 2014
Tarderviv International Pte Ltd.	Singapore	100	100
Cheminvest Pte Ltd.	Singapore	100	100
Optimistic Organic Sdn Bhd. (OOSB)	Malaysia	100	100

B.2. SIGNIFICANT ACCOUNTING POLICIES
I BASIS OF ACCOUNTING:

The financial statements of Thirumalai Chemicals Limited (“TCL” or “the Company”) have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under Section 133 of the Companies Act, 2013, other pronouncements of Institute of Chartered Accountants of India.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

The company follows the accrual system of accounting for recognizing income and expenditure.

II USE OF ESTIMATES:

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

III REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
Sale of goods:

Revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer. Gross turnover includes excise duty but does not include sales tax and VAT.

Income from wind operated generators:

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

Income from letting out of storage facility:

Revenue from letting out of storage facilities are accounted on accrual basis as per terms of agreement.

Income from services:

Revenue from service contracts are recognized pro-rata over the period of the contract as and when services are rendered and are net of service tax.

Sale of scrap:

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

Dividend and interest income:

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

Export benefits:

The benefit accrued under the Duty drawback scheme as per the Export and Import Policy in respect of exports made under the said Schemes is included under the head "revenue from operations" as 'Incentives on Exports'.

Status holder incentive scrip scheme benefit is accounted on utilization thereof for payment of duty on eligible goods.

IV FIXED ASSETS AND DEPRECIATION:
Tangible Assets:

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Assets which are retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value.

Depreciation and amortization:
a) Leasehold land:

Premium on lease hold land is amortized over the period of lease.

b) Depreciation on tangible assets is provided over its useful life specified in Schedule II to the Companies Act, 2013 or based on the useful life of the assets as estimated by Management based on technical evaluation and advice.
c) Depreciation on tangible assets is provided as under:

Buildings	Straight line method except building of CMC division.
Plant and Machinery	Straight line method except as stated below. Written down value method for plant and machinery for CMC division, factory equipments and laboratory equipments.
Wind operated generators	Straight line method
Furniture and Fittings	Written down value method
Vehicles	Written down value method
Office Equipments	Written down value method
Computer Equipments	Written down value method

d) Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.
e) Individual assets costing less than Rs.10,000/- are not capitalized.
f) The Management's estimates of the useful life of various categories of fixed assets where estimates of useful life are lower than the useful life specified in Schedule II are as under:

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

In case of Optimistic Organic Sdn Bhd. (OOSB):

Depreciation is computed for all tangible assets on a straight-line basis over the assets estimated economic useful life.

V Research and Development Expenses

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

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

VI IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortized historical cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
VII INVESTMENTS:

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reasons for the reduction no longer exist.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment

VIII INVENTORIES:

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

The inventories (including traded goods) are valued at lower of cost and net realizable value after providing for cost of obsolescence wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition.

(a)	Raw Materials	Lower of cost and net realizable value. Cost is determined using First In First Out (FIFO) method for valuation of inventories.
(b)	Work-in-Progress	Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.
(c)	Finished Goods	Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
(d)	Catalyst	Lower of cost and net realizable value. Cost of Catalyst is expensed over its estimated useful life.
(e)	Stores and Spare parts	Lower of cost and net realizable value. Stores and spares consists of packing materials, engineering spares (such as machinery spare parts) and consumables (such as lubricants, cotton waste and oils), which are used in operating machines or consumed as indirect materials in the manufacturing process, had been valued at cost based on a weighted average cost method.

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.

IX EMPLOYEE BENEFITS :
Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to recognized provident funds and approved superannuation schemes which are defined contribution plans are recognized as an employee benefit expense in the statement of profit and loss as and when the services are received from the employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of gratuity plan, which is a defined benefit plan, and certain other defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

Retirement and other 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, and performance incentive paid annual leave, bonus, leave travel assistance, medical allowance, contribution to provident fund and superannuation etc. recognized as actual amounts due in period in which the employee renders the related services.

- (i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss for the year when the contribution to the fund accrues. There are no obligations other than the contribution payable to the recognized Provident Fund.
- (ii) Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the statement of profit and loss for the year when the contribution accrues. There are no obligations other than the contribution payable to the Superannuation Fund Trust. The scheme is funded with an Insurance Company in the form of a qualifying insurance policy.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

- (iii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- (iv) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.
- (v) Actuarial gains/losses are recognized immediately to the statement of profit and loss and are not deferred.

In case of Optimistic Organic Sdn Bhd. (OOSB):

The company participates in the national pension scheme as defined by the law of the country in which it has operation. The Company makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognized as an expense in the period in which the related service is performed.

X FOREIGN CURRENCY TRANSLATION:

Initial recognition:

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

Conversion:

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

Exchange differences on non-integral operations:

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

In accordance with AS-11, revised 2003 "the effects of changes in foreign exchange rates", the financial statements of such non-integral foreign operations are translated into Indian rupees as follows:

All assets and liabilities, both monetary and non-monetary, are translated using the closing rate; income and expense items are translated at annual rate. The resulting net exchange difference is credited or debited to a foreign currency translation reserve.

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.

Forward Exchange Contracts:

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

XI BORROWING COSTS:

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

XII LEASE RENTALS:

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

Finance leases

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Other leases are operating leases, and the leased assets are not recognized on the Company's balance sheet.

- a. In respect of operating lease agreements entered into by the Company as a lessee, the lease payments are recognized as expense in the statement of profit and loss over the lease term.
- b. In respect of operating lease agreement entered into by the Company as a lessor, the initial direct costs are recognized as expenses in the year in which they are incurred.

XIII EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

XIV TAXATION:

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

XV PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:Provisions:

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

Contingent Liability:

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

Contingent liabilities are disclosed for:-

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

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

XVI CASH AND CASH EQUIVALENTS:

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

XVII CASH FLOW STATEMENT:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
C.1 Share capital		
Authorised		
15,000,000 (15,000,000) Equity shares of Rs. 10/- each	150,000,000	150,000,000
10,000,000 (10,000,000) Unclassified shares of Rs. 10/- each	100,000,000	100,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
Issued		
10,242,812 (10,242,812) Equity shares of Rs 10/- each	102,428,120	102,428,120
Subscribed and fully paid-up		
10,238,812 (10,238,812) Equity Shares of Rs 10/- each	102,388,120	102,388,120
Add: Amount paid up on forfeited shares	22,500	22,500
	<u>102,410,620</u>	<u>102,410,620</u>

(a) The Company has only one class of shares referred to as equity shares having a par value of Rs.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 shareholders holding more than 5%

Name of the Entity	As at 31st March 2015		As at 31st March 2014	
	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 Rs. 22,500/-.

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

C.2 Reserves and surplus
Securities Premium Account

As per last Balance Sheet	197,069,526	197,069,526
Capital reserve on acquisition/consolidation	356,943,369	356,943,369

General reserve

As per last Balance Sheet	428,252,062	428,252,062
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Foreign Currency Translation Reserve

As per last Balance Sheet	98,295,413	89,556,031
Add: Exchange fluctuation on long term loans and advances in relation to non-integral foreign operations	16,010,275	38,172,430
Less: Transfer to statement of profit and loss on repayment of long term loans and advances in relation to non-integral foreign operations	-	(29,433,049)
Balance at the end of the year	<u>114,305,688</u>	<u>98,295,412</u>

Foreign Currency Translation Reserve (on consolidation)

	144,596,809	171,231,132
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Surplus

As per last Balance Sheet	796,744,479	678,076,090
Less: Adjustment related to depreciation pursuant to provisions of Schedule II (Net of tax Rs.11,727,299) (Refer Note E .3)	(22,774,904)	-
Add: Profit / (Loss) for the year	(137,247,225)	118,668,388
	<u>636,722,350</u>	<u>796,744,478</u>

Less: Appropriations

Proposed dividend (Refer note a)	40,964,248	-
Tax on proposed dividend	8,339,502	-
Total appropriations	<u>49,303,750</u>	-
Balance at the end of the year	<u>587,418,600</u>	<u>796,744,478</u>

Total

	<u>1,828,586,054</u>	<u>2,048,535,979</u>
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a) The Board of Directors at their Meeting held on 6th May 2015 has recommended a dividend of Rs.4 (Rupees Four only) (Previous Year NIL) per equity share of Rs.10/- each for the year ended March 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
C.3 Long term borrowings		
Term loans (secured)		
<u>From Institutions</u>		
(a) Export Import Bank of India Overseas Investment Finance Loan (refer note I.a and I.c.a below)	15,670,000	75,275,000
(b) Export Import Bank of India Long term Working Capital Demand Loan (refer note I.b and I.c.b below)	20,000,000	100,000,000
	35,670,000	175,275,000
<u>Deferred payment liabilities (unsecured)</u>		
Sales tax deferment loan from the Government of Tamilnadu (interest free) (refer note II.a below)	17,294,940	25,891,899
<u>Others (unsecured) (refer note I.d below)</u>	335,159,173	394,020,000
	388,124,113	595,186,899
I. In respect of term loans from banks and financial institutions, terms of repayments and nature of security are given below:		
a). Export Import Bank of India Overseas Investment Finance loan is repayable in 16 equal quarterly installments starting from July 2012 up to April 2016. The loan is secured by First Pari Passu charge on Movable fixed assets and Immovable assets of the Company at Ranipet, Tamilnadu.		
b). Export Import Bank of India Working Capital Demand Loan is repayable in 16 equal quarterly installments starting from July 2012 up to April 2016. The loan is secured by First Pari Passu charge on Movable fixed assets and Immovable assets of the Company at Ranipet, Tamilnadu.		
c). The interest rates for the above vary as below:		
a. for foreign currency loans		
- Export Import Bank of India Overseas Investment Finance Loan : LIBOR + 450 basis points		
b. for rupee term loans : 11.00 % to 14.80 % per annum. Previous Year(11.07 % to 15.25% per annum.)		
d.) The amount is unsecured, non-interest bearing and as per novation agreement entered with lender, and the amount is payable in 15 equal quarterly installments starting from July 2015 up to December 2018.		
II. Deferred payment liabilities		
a. Deferral of sales tax liabilities represent interest free deferred sales tax loan received from Government of Tamilnadu. Repayable up to 2016-17 based on the deferment availed in the respective years. In case of default in repayment of Deferred sales tax liabilities the movable and immovable properties of the company are liable to be attached / proceeded towards the realization of outstanding Government loan under Revenue Recovery Act.		
	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
C.4 Deferred tax liability (net)		
Deferred Tax Liability		
On account of timing difference in Depreciation (Refer Note E.3)	237,629,515	239,603,646
Total	237,629,515	239,603,646
Deferred Tax Assets		
On account of timing difference in Adjustments on account of gratuity provision	22,554,025	20,286,580
Provision for privilege leave etc.	6,083,808	6,525,334
Provision for doubtful deposits, DEPB etc.	6,011,061	3,931,510
Other disallowances under Section 43B of Income Tax Act, 1961	1,460,969	2,226,790
Total	36,109,863	32,970,214
Deferred Tax Liability (Net)	201,519,652	206,633,432

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
C.5 Long term provisions		
Provision for employee benefits		
Gratuity (non funded)	59,024,614	53,365,794
Compensated absences (non funded)	14,841,575	15,745,258
	<u>73,866,189</u>	<u>69,111,052</u>
C.6 Short term borrowings		
(a) Loan payable on Demand (secured)		
From banks		
Working Capital Demand Loan (refer note i & iii.b. below)	278,700,000	364,300,000
Cash Credit/Export Credit Accounts (refer note i and iii.b below)	335,819,799	727,852,970
Bills purchased and discounted (refer note i, iii.b and iv below)	177,987,579	198,788,591
(b) Other loans and advances (secured)		
Export Import Bank of India Pre/Post Shipment (refer note ii & iii.a. below)	-	59,461,442
	<u>792,507,378</u>	<u>1,350,403,003</u>
i. Working Capital Demand Loan/Cash credit/Export accounts and Bills purchased / discounted are secured by hypothecation of stock of raw materials, work in progress, finished goods and book debts and secured by a second charge on all of the Company's immovable fixed assets both present and future.)		
ii. 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 (those financed by Export Import Bank of India) and secured by a second charge on all of the Company's immovable fixed assets both present and future.)		
iii. The interest rates in case of loans vary as below :		
a. for foreign currency loans		
- Export Import Bank of India Pre/Post Shipment : LIBOR + 450 basis points		
b. for other rupee loans : 12.20 % to 14.50% per annum Previous Year (10.60 % to 14.40% per annum.)		
iv. Bill Discounting Facilities of subsidiary are secured by the following.		
The facility bears interest at BLR + 0.50% per annum presently at 7.10% per annum with margin 10% of the bills and secured by documents of title to goods along with invoice,bills of exchange drawn on approved parties.		
The facility is secured by the following:		
a. Corporate guarantee by ultimate holding company and holding company		
b. A registered debenture over the Company's entire fixed and floating assets,movable and immovable, both present and future		
c. A 1st party 1st legal charge over the land and building belonging to the Company erected on PN7606, Lot 3351 Mukim Teluk Kalung and District of Kemaman, Terengganu.		
	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
C.7 Trade payables		
Other trade Payables	875,701,227	1,645,664,498
	<u>875,701,227</u>	<u>1,645,664,498</u>

Out of trade payables, Rs. 499,865 (Previous year Rs.510,690) pertain to Micro, Small, Medium enterprises as defined under Micro, Small, and Medium Development Act, 2006 based on the information available with the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
C.8 Other current liabilities		
Current maturities of long term debt (refer note C.3)	235,066,751	269,591,886
Fixed deposits (refer note C 8.a)	-	257,334,000
Book overdraft with Banks	-	1,165,263
Unpaid dividend (refer note C.8.b)	2,743,413	3,665,515
Unpaid matured deposits and interest accrued thereon (refer note C.8.b)	1,060,572	469,999
Deposits from service providers	4,967,440	4,878,704
Interest Accrued but not due on loans	621,506	12,645,648
Payable to statutory authorities	46,553,111	52,248,624
Advances from customers	3,054,901	902,570
Amounts due to consignment agents	14,108,858	11,523,207
Directors remuneration payable	3,898,072	290,678
Direct recourse under LC bills discounted	799,246,045	828,604,879
Other payables	22,283,379	85,603,689
	<u>1,133,604,048</u>	<u>1,528,924,662</u>
a. As per provisions of Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014, all the fixed deposits accepted from public and outstanding as on 31.03.2014 were repayable within one year there from.		
b. Unpaid dividend, unpaid 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 employee benefits		
Gratuity (non funded)	6,145,362	6,318,171
Compensated absences (non funded)	2,737,621	7,317,127
Other employee benefits	3,240,357	8,822,944
Provision for taxation (net of MAT credit availed Rs. NIL (P.Y. Rs.9,994,140) and advance tax)	10,351,742	5,653,405
Proposed dividend	40,964,248	-
Tax on dividend	8,339,502	-
	<u>71,778,832</u>	<u>28,111,647</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in Rs.)

C.10 Fixed Asset - Tangible

Description	Gross block					Depreciation					NET BLOCK		
	As at 1st April 2014	Additions	Exchange translations/ reserve adjustment	Sales/ disposals	As at 31st March 2015	As at 1st April 2014	Charge for the Period	Transfer To Retained earnings *	Exchange translations	Recouped on sale	Depreciation Up to 31st March 2015	As at 31st March 2015	As at 31st March 2014
Tangible assets													
Freehold Land	3,749,329	-	-	-	3,749,329	-	-	-	-	-	-	3,749,329	3,749,329
Lease hold land (refer note D.3 c)	199,976,971	5,025,166	(7,896,793)	-	197,105,344	9,893,450	3,482,637	-	(692,956)	-	12,683,130	184,422,214	190,083,521
Buildings and Roads	200,645,662	841,377	(5,568,093)	-	195,928,946	67,443,941	5,798,236	23,642	(756,876)	-	72,508,942	123,420,004	133,201,721
Plant and equipment	3,655,403,823	472,766,304	(163,126,868)	-	3,965,043,259	1,814,053,576	147,550,734	32,266,989	(31,726,524)	-	1,962,144,775	2,002,898,482	1,841,350,246
Wind operated generators	166,023,000	-	-	-	166,023,000	100,957,737	3,482,481	-	-	-	104,440,218	60,582,782	64,065,263
Computer equipments	14,234,992	1,258,510	-	4,770,082	10,723,420	12,485,804	1,338,216	163,797	-	4,624,501	9,363,316	1,360,104	1,749,188
Office equipments	17,315,277	2,061,850	(169,224)	1,549,159	17,668,744	8,336,427	4,450,442	26,132	(35,702)	1,490,200	11,287,099	6,371,645	8,978,851
Furniture and fixtures	9,816,515	346,508	439,258	-	10,602,281	6,086,981	1,353,496	1,193,116	(2,538)	-	8,631,055	1,971,226	3,729,534
Vehicles	13,631,206	2,481,667	-	-	16,112,873	8,621,672	2,141,418	808,873	-	-	11,571,963	4,540,910	5,009,534
Details of Assets used for R & D													
Plant and equipment	78,230,520	-	-	-	78,230,520	28,406,916	7,729,640	-	-	-	36,136,556	42,093,964	49,823,604
Furniture, fixtures and office equipments	8,592,258	-	-	-	8,592,258	5,781,086	933,802	19,654	-	36,898	6,697,644	1,894,614	2,811,172
Total	4,366,619,553	484,781,382	(176,311,720)	6,319,241	4,668,769,974	2,062,067,590	178,261,102	34,502,203	(33,214,596)	6,151,599	2,235,464,699	2,433,305,275	2,304,551,963
Previous year	4,701,609,502	17,374,363	87,791,493	440,155,805	4,366,619,553	2,209,812,165	229,944,190	-	19,488,773	397,177,538	2,062,067,590	2,304,551,963	2,491,797,338
* (Refer Note E.3)													

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
C.12 Long-term loans and advances		
Unsecured and considered good		
Capital advances	-	29,855,545
Security deposits	8,978,038	5,870,332
Taxes paid in advance (Net of provision for tax)	97,146,569	113,964,754
	106,124,607	149,690,631
Considered doubtful		
Security deposits	285,047	715,972
less: provision for doubtful deposits	(285,047)	(715,972)
	-	-
	106,124,607	149,690,631
C.13 Other non-current assets		
Unsecured and considered Good		
Other loans and advances	660,971	1,432,097
	660,971	1,432,097
C.14 Inventories (valued at lower of cost and net realizable value)		
Stores and Spares	110,964,655	93,528,217
Fuel	2,115,000	4,197,000
Packing Materials	5,045,993	7,440,633
Raw Materials	367,174,656	1,039,905,722
Catalyst	239,186,223	161,344,375
Finished Goods	140,855,076	588,402,814
Excise duty paid in advance on GIT	9,089,210	30,314,276
Work in Progress	101,880,921	155,206,582
Stock of Trading items	3,400,677	699,352
	979,712,411	2,081,038,971
Note:		
a. Raw material includes material in transit Rs. NIL (Previous Year Rs. 563,689,843)		
b. Finished Goods includes material in transit Rs.49,642,767 (Previous Year Rs. 142,825,007)		
C.15 Trade receivables		
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months from due date	22,407,360	10,995,397
Other Debts	1,495,663,731	2,296,580,567
	1,518,071,091	2,307,575,964
Unsecured and Considered doubtful		
Debts outstanding for a period exceeding six months from due date	17,083,945	6,385,777
less: provision for doubtful debts	(17,083,945)	(6,385,777)
	-	-
	1,518,071,091	2,307,575,964
C.16 Cash and Bank balances		
a. <u>Cash and Cash Equivalents</u>		
Cash on hand	306,663	421,529
<u>Balance with Banks</u>		
In current accounts	7,621,947	85,959,686
	7,928,610	86,381,215

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
b. <u>Other Bank balances</u>		
Short-term bank deposits with maturity after 3 months but before 12 months	40,320,695	32,052,527
In Margin money account against letters of credit issued by banks	54,900,298	92,269,151
<u>Earmarked balances with banks</u>		
Unpaid Dividend	2,743,413	3,665,515
Unpaid Interest	32,782	45,732
	<u>105,925,798</u>	<u>214,414,140</u>
C.17 Short-term loans and advances		
Unsecured, Considered Good		
Balance with customs and excise	28,010,262	46,422,205
Cenvat claimable	25,647,225	86,738,463
Staff advances	3,029,013	2,522,450
	<u>56,686,500</u>	<u>135,683,118</u>
C.18 Other current assets		
Unsecured, Considered Good		
Other loans and advances		
Advance to Suppliers	14,701,302	33,201,859
Assets held for disposal	12,802,972	18,000,000
Other loans and advances	120,247,296	93,667,728
	<u>147,751,570</u>	<u>144,869,587</u>
Considered doubtful		
other loans and advances recoverable in cash or in kind or value to be received	-	4,464,916
less: provision for doubtful loans and advances	-	(4,464,916)
	-	-
	<u>147,751,570</u>	<u>144,869,587</u>
	Year ended 31st March 2015 Rs.	Year ended 31st March 2014 Rs.
C.19 Revenue from Operations		
Sales		
Manufactured goods	11,609,405,224	13,811,369,581
Traded goods	1,380,376	3,843,392
Gross sales	11,610,785,600	13,815,212,973
Less: Excise duty recovered on sales	(956,445,886)	(1,126,196,685)
Net sales	10,654,339,714	12,689,016,288
Other Operating revenues:		
Sales of power from wind operated generators	12,014,213	13,666,685
Income from letting out of storage facility	28,389,990	24,634,037
Duty drawback and Duty Entitlement Pass Book Benefits	8,844,810	11,237,709
Export Incentive	2,807,923	10,602,201
Sale of scrap	16,189,407	13,226,445
	<u>10,722,586,057</u>	<u>12,762,383,365</u>
Details of products sold		
Organic and other chemicals	11,609,405,224	13,811,369,581
	<u>11,609,405,224</u>	<u>13,811,369,581</u>
Details of trading sales		
Chemicals	1,380,376	3,843,392
	<u>1,380,376</u>	<u>3,843,392</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31st March 2015 Rs.	Year ended 31st March 2014 Rs.
C.20 Other Income		
Interest Income (Gross)	29,315,231	24,598,910
(Tax Deducted at Source Rs. 4,663,933 (Previous Year Rs.4,221,715)		
Interest income pertaining to earlier year Rs. NIL (previous year Rs.781,234)		
Dividend Income from long term investments	7,743,010	6,918,295
Profit on sale of long term investments	600,000	-
Rent received	4,233,274	4,028,854
Excess provisions / Sundry balances written back	10,213,046	837,844
Gain on foreign currency Transaction / Translation	4,675,712	1,887,542
Insurance claims received	17,998,008	447,649
Miscellaneous receipts	6,778,121	7,633,471
	<u>81,556,402</u>	<u>46,352,565</u>
C.21 Cost of Materials consumed		
Raw materials, process chemicals and catalyst consumed		
Stock at commencement	1,142,085,654	988,714,432
Add: Purchases	7,502,812,424	10,339,197,671
	<u>8,644,898,078</u>	<u>11,327,912,103</u>
Less: Sales	-	(8,097,625)
Less: Stock at close	(613,392,886)	(1,142,085,654)
	<u>8,031,505,192</u>	<u>10,177,728,824</u>
<u>Details of Raw Materials Consumed</u>		
Organic and other chemicals	<u>8,031,505,192</u>	<u>10,177,728,824</u>
	<u>8,031,505,192</u>	<u>10,177,728,824</u>
C.22 Purchases of stock in trade		
Traded goods		
Purchase of Chemicals	774,580	2,944,995
Purchase of machinery and spares	3,054,112	15,647,462
	<u>3,828,692</u>	<u>18,592,457</u>
C.23 Changes in stock		
Inventories at the end of the year		
Finished goods	140,855,076	588,402,814
Work in progress	101,880,921	155,206,582
<u>Stock of Trading items</u>		
Chemicals	155,896	508,682
Machinery and spares	3,244,781	190,669
	<u>246,136,674</u>	<u>744,308,747</u>
Inventories at the beginning of the year		
Finished Goods	588,402,814	584,442,789
Work in Progress	155,206,582	240,812,324
<u>Stock of Trading items</u>		
Chemicals	508,683	1,092,361
Machinery and spares	190,669	776,775
	<u>744,308,748</u>	<u>827,124,249</u>
Excise duty on closing stock (net)	28,162,955	32,087,583
Changes in stock	<u>470,009,119</u>	<u>50,727,919</u>
Trading stocks		
<u>Machinery items</u>		
Opening Stock	190,669	776,775
Purchases	3,054,112	15,647,462
Sales	1,380,376	21,306,534
Closing Stock	<u>3,244,781</u>	<u>190,669</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31st March 2015 Rs.	Year ended 31st March 2014 Rs.
C.24 Employees benefits expense		
Salaries, wages, bonus, etc (Includes salary for previous year Rs.NIL (Previous Year Rs.4,000,000))	298,372,120	306,966,440
Whole Time Directors remuneration	22,282,332	27,766,700
Contribution to provident fund and other funds	27,642,562	27,453,461
Staff welfare expenses	12,129,966	15,276,401
	<u>360,426,980</u>	<u>377,463,002</u>
Provision for gratuity and leave encashment on actuarial basis based on the contractual terms of appointment of Directors is included in salaries, wages and bonus etc.,		
C.25 Finance costs		
Interest expense	290,130,249	391,441,276
Interest on Income Tax	2,418,946	818,550
Exchange loss on foreign currency loan	5,319,888	45,018,937
Bank charges	49,218,770	48,082,038
	<u>347,087,853</u>	<u>485,360,801</u>
Interest expense includes interest on Letter of Credit discounting Rs. 102,714,165 (Previous year Rs.119,545,210)		
C.26 Other expenses		
Stores and spares consumed	70,994,375	62,631,228
Power and fuel	352,609,291	397,377,940
Repairs to:	-	-
Machinery	111,799,197	102,675,009
Buildings	18,131,363	17,511,821
Others	4,487,969	9,457,483
Packing expenses and materials consumed	116,490,561	109,087,301
Freight and forwarding	427,964,283	398,895,884
Commission and brokerage	25,283,266	22,132,867
Rent (Refer note D.3)	5,401,437	3,791,034
Rates and taxes	9,510,405	7,543,468
Insurance	16,497,195	17,915,191
Travelling and conveyance	30,002,214	23,451,731
Communication expenses	7,048,609	5,602,156
Research and development expenses	12,406,569	11,607,259
Payment to auditors (Refer note C.27)	3,438,022	3,627,082
Expenses on Wind operated generators	3,061,610	3,472,472
Legal and professional charges	21,434,843	16,208,858
Commission to non-executive directors	2,247,150	290,678
Bad debts/ Sundry balance written off	592,745	4,485,448
Provision for doubtful debts	10,698,167	6,385,778
Exchange loss on foreign currency transaction / translation	145,377,465	-
Excise duty expenses	607,814	5,287,347
Loss on sale of assets	151,372	13,589,074
Donation	3,300,000	5,012,500
Cash discounts and rebates	26,187,231	11,919,899
Miscellaneous expenses (includes previous year expenditure Rs. 78,634 (Previous Year Rs. 900,936))	55,329,239	60,238,636
	<u>1,481,052,392</u>	<u>1,320,198,144</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31st March 2015 Rs.	Year ended 31st March 2014 Rs.
C.27 Payment to Auditors		
<u>Particulars</u>		
Audit fees	2,278,022	2,542,082
Others	1,160,000	1,085,000
	3,438,022	3,627,082
C.28 Commitments and contingent liabilities	2014-2015	2013-2014
	Rs.	Rs.
(A) Commitments/contingent liabilities		
(i) Estimated amount of contracts to be executed on capital account and not provided for	-	93,404,904
Against which advances paid	-	29,927,056
(ii) Guarantees issued by Banks on behalf of Company	41,200	95,229
(iii) Bond in favour of excise authorities	160,000	160,000
(iv) Corporate Guarantee issued to a bank for Wholly Owned Step Down Subsidiary	160,000	587,047,000
(B) Claims against the Company not acknowledged as debts in respect of following items:		
(i) The Sales Tax authorities have issued notices to the Company whereby the authorities have disputed the method of availment of deferral sales tax on monthly pro-rata basis for the period April 2000 to April 2006 amounting to Rs.8,448,007 (Previous year Rs. 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 crystallize on this account.		
(ii) The company had received a demand of Rs. 99,363,453 (Previous Year Rs. 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 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 matter was heard by the Foreign Exchange Appellate Tribunal in April 2015 and the final order is awaited. The Company does not expect any liability to crystallise on this account.		
(iii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of Rs. 12,114,057 (Previous Year Rs. 39,668,926) 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 Rs 10,566,447. (Previous Year Rs.29,102,479).		
(C) Other Commitments:		
The company has been allotted a plot in 2011 in Dahej by Gujarat Industrial Development Corporation for setting up a manufacturing facility. In terms of the said allotment the company has paid the consideration. Necessary procedure to get possession of land by entering into a lease agreement is under process. The company is obligated to set up a manufacturing facility within the specified period as per the terms and condition of allotment.		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

D. Disclosure in accordance with Accounting Standards as notified by the Companies (Accounts) Rules, 2014.

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 organization 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.

	31.03.2015	31.03.2014
1. REVENUE		
EXTERNAL REVENUE		
Chemical products and its intermediaries	10,710,571,844	12,748,716,680
Power generation from wind operated generators	12,014,213	13,666,685
Total	<u>10,722,586,057</u>	<u>12,762,383,365</u>
2. RESULT		
Profit / (Loss) before interest and corporate expenses but after depreciation		
Chemical products and its intermediaries	235,930,617	609,433,355
Power generation from wind operated generators	5,470,122	(6,869,166)
Total	<u>241,400,739</u>	<u>602,564,189</u>
LESS:		
Interest	(347,087,853)	(485,360,801)
Unallocated (Expenses) / Income (net) and Corporate expenses	37,658,241	31,517,205
Provision for current Tax	(69,110,823)	(35,285,887)
Deferred Tax	17,726,010	8,309,800
Adjustment for earlier year tax	(17,833,541)	(3,076,118)
NET PROFIT	<u>(137,247,227)</u>	<u>118,668,389</u>
OTHER INFORMATIONS		
3. SEGMENT ASSETS		
Chemical Products and its intermediaries	5,240,097,474	7,298,936,631
Power Generation (Wind operated Generators)	67,596,178	71,774,676
Unallocated / Corporate	160,404,463	204,270,487
Total	<u>5,468,098,115</u>	<u>7,574,981,794</u>
4. SEGMENT LIABILITIES		
Chemical Products and its intermediaries	1,855,802,562	2,721,286,144
Power Generation (Wind operated Generators)	-	-
Unallocated / Corporate	1,681,298,877	2,702,749,050
Total	<u>3,537,101,439</u>	<u>5,424,035,194</u>
5. CAPITAL EMPLOYED (including capital work in progress)		
Chemical Products and its intermediaries	3,384,294,912	4,577,650,487
Power Generation (Wind operated Generators)	67,596,178	71,774,676
Unallocated / Corporate	(1,520,894,416)	(2,498,478,564)
Total	<u>1,930,996,674</u>	<u>2,150,946,599</u>
6 CAPITAL EXPENDITURE (including capital work in progress)		
Chemical Products and its intermediaries	369,215,951	193,145,935
Power Generation (Wind operated Generators)	-	-
Unallocated / Corporate	-	-
Total	<u>369,215,951</u>	<u>193,145,935</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	31.03.2015	31.03.2014
7 DEPRECIATION		
Chemical Products and its intermediaries	174,778,621	212,880,811
Power Generation (Wind operated Generators)	3,482,481	17,063,379
Unallocated / Corporate	-	-
Total	178,261,102	229,944,190

D.2 Accounting Standard (AS-18) "Related party disclosures " :
Subsidiary Companies:

Tarderiv International Pte Ltd (subsidiary company) (TIPL)

Cheminvest Pte Ltd (Step down subsidiary) (CPL)

Optimistic organic Sdn Bhd (Step down subsidiary)(OOSB)

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

Thirumalai Charity Trust (TCT)

Others

Ultramarine and Pigments Ltd. (UPL)

Managerial Personnel

R.Parthasarathy (Managing Director)

Ramyam Bharathram (Whole Time Director with effect from 03.11.2014)

Key Management Personnel

N Nambi Rajan (CFO)

T Rajagopalan (CS)

Relatives of Directors

S.Varadharajan

S. Narayan

Ramyam Bharathram (Whole Time Director with effect from 03.11.2014)

Details of transactions with above parties

Particulars		Companies in which the company has substantial interest		Directors / Relatives / Key Management Personnel				Total
		Ultramarine and Pigments Ltd	Thirumalai Charity Trust	Mr. R.Parthasarathy	Mrs.Ramyam Bharathram	Key Management Personnel Other than Directors	Directors and Relatives of Directors	
Remuneration to Key Managerial Persons	2014-15			9,771,729	3,891,013	5,310,169		18,972,910
	2013-14			15,895,041	-	4,626,877		20,521,918
Purchase of Goods	2014-15	34,546						34,546
	2013-14	40,764						40,764
Sale of Goods	2014-15	-						-
	2013-14	3,737						3,737
Expenses and Services recharged	2014-15	-						-
	2013-14	86,291						86,291
Rendering of Services	2014-15	4,462,302		12,000		-		4,474,302
	2013-14	4,161,248		12,000		-		4,173,248
Receiving of Services	2014-15		334,517					334,517
	2013-14	28,090	105,012					133,102
Guarantee Commission	2014-15							-
	2013-14							-
Donation given	2014-15		3,000,000					3,000,000
	2013-14		5,000,000					5,000,000
Outstanding Payables	2014-15	-	-					-
	2013-14							-
Outstanding Receivables	2014-15	341,099						341,099
	2013-14	322,765						322,765
Deposits Taken	2014-15							-
	2013-14						24,460,000	24,460,000
Interest Expenses on Deposits Taken	2014-15						3,709,501	3,709,501
	2013-14						2,977,893	2,977,893

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars		Companies in which the company has substantial interest		Directors / Relatives / Key Management Personnel				
		Ultramarine and Pigments Ltd	Thirumalai Charity Trust	Mr. R.Parathasarathy	Mrs.Ramya Bharathram	Key Management Personnel Other than Directors	Directors and Relatives of Directors	Total
Deposits Paid	2014-15						32,360,000	32,360,000
	2013-14						27,510,000	27,510,000
Interest Income on Loan Given	2014-15							-
	2013-14							-
Guarantee Given	2014-15							-
	2013-14							-
Outstanding Deposits Payable	2014-15	1,400,000					-	1,400,000
	2013-14	1,400,000					32,360,000	33,760,000

Remuneration paid to relative of Directors	2014-15	2013-14
	Rs.	Rs.
Ms.Ramya Bharathram (remuneration for the period 1.4.2014 to 31.10.2014)	1,598,662	2,429,442
Mr.S.Varadharajan	2,202,528	2,139,528
Mr.S.Narayan	1,799,646	1,799,646
	<u>5,600,836</u>	<u>6,368,616</u>

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

- During the year the company has taken office premises/residential premises under cancelable lease. Lease rent accounted in profit and loss account Rs.2,831,828 (Previous Year Rs. 3,473,473). The said lease is cancelable at the option of the lessee at three months notice. The deposit paid in respect of the same is Rs. 1,680,255 (Previous Year Rs.1,749,255).
- 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 Rs. 1,400,000 (Previous Year Rs. 1,400,000) Lease rent received during the year and accounted as income is Rs. 3,942,629 (Previous Year Rs. 3,617,294).
- The company has entered into an agreement with Gujarat Industrial Development Corporation 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.(Refer Note C.32-(c))

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

The Basic and Diluted EPS is calculated as under:

Particulars	2014-2015	2013-2014
	Rs.	Rs.
Profit attributable to Equity Shareholders (Rs.)	(137,247,225)	118,668,388
No. of equity shares (of Rs 10 each)	10,238,812	10,238,812
Earnings Per Share	(13.40)	11.59

E. Other disclosures:
E.1 Foreign exchange derivatives and exposures outstanding at the close of the year :

Open foreign exchange exposures:

(a) Exposure on Assets and Liabilities

Particulars		2014-2015		2013-2014	
		Foreign Currency	Rs.	Foreign Currency	Rs.
Export Receivables	USD	6,804,657	422,228,940	9,575,895	571,680,909
Other Receivables	VARIOUS	2,436,044	153,171,991	635,634	38,218,917
TOTAL		<u>9,240,701</u>	<u>575,400,931</u>	<u>10,211,529</u>	<u>609,899,826</u>
Import Payables	USD	3,803,070	238,490,630	1,596	96,229
Import payables	EURO			3,110	256,823
Loans	USD	17,437,881	1,093,006,381	9,846,004	588,976,442
Other Payables	VARIOUS		-	29,541	1,780,641
TOTAL		<u>21,240,951</u>	<u>1,331,497,011</u>	<u>9,880,251</u>	<u>591,110,135</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	2014-2015		2013-2014	
	Foreign Currency	Rs.	Foreign Currency	Rs.
(b) Exposure of Forward Cover Contracts				
Forward Contract against loans payable*	USD	-	750,000	48,140,000
TOTAL		-	750,000	48,140,000
* Forward contracts outstanding at year end for hedging loans payable				
(c) Guarantee given				
Guarantee Given to banks on behalf of step down subsidiary (in Malaysian Ringgit)				
		32,000,000	533,446,809	32,000,000
TOTAL		32,000,000	533,446,809	587,047,000

E.2 Loans and Advances

Loans and Advances of Staff includes amount recoverable from directors Rs. NIL (Previous Year Rs. 620,000) towards recovery of excess remuneration paid .

E.3 Effect due to change in depreciation as per Schedule II to the Companies Act, 2013

The Holding Company has during the year provided depreciation on fixed assets based on estimated life and realisable value as prescribed in Schedule II of the Companies Act, 2013, except on few assets, where different life has been estimated based on technical advice (Refer note B.IV). Till last year, the Holding Company was providing depreciation as per rates prescribed in Schedule XIV of the Companies Act, 1956.

Following provisions of Schedule II, an amount of Rs. 51,681,001 was determined as carrying amount of assets on 1st April 2014 where remaining useful life of asset is Nil, and after retaining Rs 17,178,798 towards residual value, an amount of Rs. 22,774,904 (Net of tax of Rs.11,727,299) has been adjusted in the opening balance of the retained earnings.

Had not there been any change in useful life of assets prescribed by statutes , depreciation for the year would have been higher by Rs.514 Lakhs.

E.4 Corporate Social Responsibility (CSR)

The company has contributed Rs.3,000,000 (Rupees Thirty lakhs only) towards CSR activities to a Trust during the year. The same has been included in Donation in note no. C-26. There is a short fall of Rs.372,000 towards spending on CSR as required under section 135 of the Companies Act, 2013.

E.5 Appointment of Whole Time Director

Mrs. Ramya Bharathram, a relative of Director has been appointed as Whole Time Director with effect from 3rd November, 2014. Remuneration with effect from this date is subject to Shareholders approval.

E.6 Previous Year's Figures

Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

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

For and on behalf of the Board of Directors

**CNK & ASSOCIATES LLP
CHARTERED ACCOUNTANTS**

**R. PARTHASARATHY
MANAGING DIRECTOR
(DIN: 00092172)**

**R. RAVI SHANKAR
INDEPENDENT DIRECTOR
(DIN:01224361)**

**H. V. KISHNADWALA
PARTNER**

**N. NAMBI RAJAN
CHIEF FINANCIAL OFFICER**

**T. RAJAGOPALAN
COMPANY SECRETARY**

MUMBAI, 6TH MAY, 2015

CHENNAI, 6TH MAY, 2015

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Particulars	14-15	13-14	12-13	11-12	10-11	09-10	08-09	07-08	06-07	05-06
Share Capital	1024	1024	1024	1024	1024	1024	1024	1024	1024	1024
Reserves & Surplus	14074	13214	12770	10629	9516	7661	7500	12100	10631	9178
Networth	15098	14238	13794	11653	10540	8685	8524	13124	11655	10202
Fixed Assets(net)	7474	8016	9283	10317	10255	11111	12295	12145	10689	11354
Sales/Other Income	94168	105065	115572	91130	77843	63253	48405	58430	54749	37129
Gross Profit/(loss)	5965	6107	10912	7199	7019	7033	(4061)	7190	5963	4009
Interest/Finance Charges	3311	4542	5202	5237	1751	1994	1703	1387	1019	884
Depreciation	701	1221	1287	1381	1339	1236	1223	1125	1090	1124
Current Tax	548	260	1884	346	511	665	12	1825	1459	596
Deferred Tax	15	273	236	244	710	1203	(2405)	(197)	(185)	(42)
Net Profit/(Loss)	1420	357	2775	478	1855	2586	(4600)	2667	2531	1453
Dividend (incl.tax)	493	-	894	-	-	597	-	1198	1078	759
DIVIDEND (%)	40	-	75	-	-	50	-	100	90	65
EARNING PER SHARE (Rs.)	13.87	3.48	27.10	4.67	18.12	25.26	(44.93)	26.05	24.72	14.19

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THIRUMALAI CHEMICALS LTD.

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

Forty Second Annual General Meeting on August 03, 2015

FORM NO. MGT - 11

PROXY FORM

[Pursuant to section 105 (6) of the Companies Act, 2014 and rule 19(3) of the Companies (Management and Administration) Rules, 2015]

CIN : L24100MH1972PLC016149
Name of the Company : Thirumalai Chemicals Ltd.

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

Name of the member (s):		
Registered address :		
E-mail ID:	Folio No / Client ID:	DP ID:

I / We, being the member (s) of the above named Company, holding _____ shares, hereby appoint

1. Name:
Address :
E-mail ID:
Signature : _____, or failing him

2. Name:
Address :
E-mail ID:
Signature : _____, or failing him

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General meeting of the Company, to be held on the 3rd day of August 2015 at 2.30 p.m. at Mysore Association Auditorium, Mysore Association, 393, Bhaudaji Road, Matunga - (C.Rly), Mumbai - 400 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Annual Accounts as on March 31, 2015.
2. Declaration of dividend @Rs.4 per equity share for the financial year ended March 31, 2015
3. Reappointment of Mr.R.Sampath, Director who retires by rotation.
4. Appointment of Statutory Auditors for Financial Year 2015-16.
5. Appointment of Mrs. Ramya Bharathram (holding DIN 06367352) as a director of the company.
6. Appointment of Mrs. Ramya Bharathram (holding DIN 06367352) as a Whole-time Director of the Company
7. Modification of remuneration of Mr. R. Parthasarathy (DIN: 00092172), Managing Director of the company
8. To ratify the remuneration of Cost Auditor for Financial Year 2015-16.

Signed this _____ day of _____ 20_____

Signature of shareholder

Signature of Proxy holder (s)

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



The Akshaya Vidya Trust

The Akshaya Vidya Trust

Vedavalli Vidyalaya Senior Secondary School, Walaja (CBSE) 1994

Vedavalli Higher Secondary School, Walaja (State Board) 1999

Vedavalli Vidyalaya Nursery & Primary & Senior Secondary School,
Ranipet (CBSE) 2003

Two decades in Education

Started in 1994, the Akshaya Vidya Trust has completed 20 years this year. Currently, we have two CBSE schools in Walajapet and Ranipet from PreK-12 and a truncated State Board branch for classes 11 & 12 at Walajapet. Over the 20 years we have updated our facilities and are always open to try new and interesting methods of educating children. We are a co-ed school with students from different social and economic backgrounds.

At Vedavalli, our main focus has not just been in academics but also in other areas such as Project Day, Interschool events, Carnival and events of different kinds. Our children get to meet people from different facets of life and interact with them. This year we've been fortunate to have our alumni as the guests for various events. Every term has a special event and one notable event has been the theatre week where students of Class 6 and 8 were trained in theatre. The speciality of our annual day and sports day is that we are able to get all on our students on stage/field and participate.

This year we had also had two English teaching assistants from USA who interacted with our teachers and students regarding the education practices in the US. The TNEB conducted an awareness programme on **Energy** and conducted a Tamil debate on Energy conservation.

We train our children in different games and athletics. They have participated in the CBSE clusters and have won in a few.

Our teachers are no exception. Our teachers are continuously exposed to workshops and seminars to keep them updated with the new methods of teaching and technology. There is also an ongoing short term teacher training programme which our trust has been conducting for nearly 7 years for various levels. This year too, we've trained a set of teachers for the primary level.

Our Website: www.vedavallividyalaya.org

Donations to Akshaya Vidya Trust are 100% Tax exempt.

Tel: +91-4172-231860, 230870

E-mail: vedavalli94@yahoo.com





Thirumalai Charity Trust

Ranipet



At Thirumalai Charity Trust, we are pioneering a model by integrating primary and secondary healthcare services to enable accessible and affordable healthcare. We aspire to become a unique academic, community health and research institution.

In Primary Healthcare, our services cover 315 villages servicing more than 35,000 families and 1,60,000 people in Vellore district. More than 40,000 people have benefited from our education programmes and an equal number have benefited from screening programmes. People requiring hospital care have been referred and are monitored after treatment.



Combining our experience of three decades of rural work and five years in hospital services, we have developed some unique offerings to address chronic diseases widely prevalent in the local communities: diabetes, hypertension, osteoporosis, obesity, arthritis, cancer in women.

The hospital offers outpatient and inpatient services in Emergency, General Medicine, General Surgery, Obstetrics & Gynaecology, Paediatrics, Orthopaedics, Dentistry, Physiotherapy and E.N.T. The Thirumalai Mission Hospital is growing with our steady team of consultants of repute and well trained staff.



The hospital has all the necessary facilities to support medical care. Our excellent laboratory assures reliable results. Our Electronic Medical Records System paves the way for effectiveness and our hospital software ensures efficiency.

At the hospital, nearly 35,000 patients have been treated. At the camps conducted by the hospital for the community, more than 8000 patients have been cared for. More than 900 patients have received treatment at our hospital following these camps.



As a tribute to our Founder, we started the N.R. Swamy Centenary Rehab Centre. We have initiated a comprehensive de-addiction service in the centre and more than 50 alcoholics have been treated in 6 batches of 15 days duration each.

Construction is in full swing for an Emergency and Intensive Medical Care wing on the ground floor. We hope to have a research unit in the next year.

We welcome your participation and involvement in as many ways as possible. We will be happy to have you on a visit when you travel this side.

Visit www.ThirumalaiCharityTrust.org

Contributions to TCT are 100% tax exempt.

Note: Figures given are for 2014-2015.

