THIRUMALAI CHEMICALS LTD.

49th ANNUAL REPORT

2021-2022

Board of Directors

Mr. R. Parthasarathy (Chairman & Managing Director)
Mrs. Ramya Bharathram (Managing Director)
Mr. P. Mohana Chandran Nair (Whole-time Director)
Mr. R. Sampath
Mr. R. Ravi Shankar
Mr. N. Subramanian (upto 5th August, 2021)
Mr. Raj Kataria
Mr. Dhruv Moondhra
Mr. Arun Ramanathan
Mr. Rajeev M Pandia
Mrs. Bhama Krishnamurthy

Audit Committee

Mr. R. Ravi Shankar, Chairman
Mr. Raj Kataria
Mr. Arun Ramanathan
Mrs. Bhama Krishnamurthy
Mr. R. Sampath

Stakeholders Relationship Committee

Mr. Arun Ramanathan, Chairman
Mr. Raj Kataria
Mr. R. Sampath

Nomination & Remuneration Committee

Mr. Raj Kataria, Chairman
Mr. Rajeev M Pandia
Mr. R. Sampath

Corporate Social Responsibility Committee

Mr. Arun Ramanathan, Chairman
Mrs. Bhama Krishnamurthy
Mr. R. Sampath

Business Review Committee

Mr. Rajeev M. Pandia, Chairman
Mr. R. Ravi Shankar
Mr. Dhruv Moondhra
Mr. R. Sampath

Risk Management Committee

Mr. Rajeev M. Pandia, Chairman
Mr. Dhruv Moondhra
Mrs. Ramya Bharathram
Mr. Sanjay Sinha
Mr. B. Krishnamurthy

Investment, Finance And Banking Committee

Mr. R. Ravi Shankar, Chairman
Mrs. Ramya Bharathram
Mr. Raj Kataria
Mr. Arun Ramanathan
Mrs. Bhama Krishnamurthy

Chief Executive Officer

Mr. C.G. Sethuram – Group CEO
Mr. Sanjay Sinha – CEO

Chief Financial Officer

Mrs. Ramya Bharathram

Company Secretary

Mr. T. Rajagopalan

Bankers

- Bank of India
- Axis Bank Ltd
- IDFC First Bank
- Standard Chartered Bank
- HSBC Bank
- Kotak Mahindra Bank Limited

Auditors

M/s. Walker Chandiok & Co LLP
Chartered Accountants, Chennai.

Internal Auditors

M/s M.S.Krishnaswamy & Co.
Chartered Accountants, Chennai.

Cost Auditor

M/s. GSVK & Co.
Cost Accountants, Chennai.

Registered Office

Thirumalai House, Road No. 29,
Near Sion Hill Fort, Sion(E),
Mumbai - 400 022, India.
Tel. : +91-22-24017841, 43686200,
E-mail : thirumalai@thirumalaichemicals.com
Website: http://www.thirumalaichemicals.com
CIN : L24100MH1972PLC016149

Registrar & Share Transfer Agents

Link Intime India Pvt Ltd
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083.
Tel No : +91 22 49186000
Fax : +91 22 49186060
E-mail : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

49th Annual General Meeting

Date & Time:
Wednesday, July 27, 2022 at 2.30 p.m.

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

Webcast:
Live Webcast facility is provided to the Shareholders. Procedure given in the 49th AGM Notice.

Book Closure:
Thursday, July 21, 2022 to Wednesday July 27, 2022 (both days inclusive)

Factory

Ranipet:
25-A, SIPCOT, Ranipet,
Ranipet District - 632 403
Tamil Nadu, India.
Tel. : +91-4172-244327
Fax : +91-4172-244308
E-mail: mail@thirumalaichemicals.com

Dahej:
Plot No.D-2/CH/171/B,
GIDC Estate, Dahej
Phase-II, Tal. Vagra, Bharuch,
Gujarat – 392 130, India.
Cell : +91-98423-99500 / +91-99526-08935
E-mail : mail@thirumalaichemicals.com

Contents

NOTICE

NOTICE is hereby given that the **FORTY NINTH 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 Wednesday, 27th July, 2022 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including consolidated Financial Statements) for the Financial Year ended on March 31, 2022, and the Reports of the Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** the standalone and consolidated Audited Financial Statements for the year ended 31st March 2022, together with the Directors' Report and the Auditors' Reports thereon as circulated to the Members and presented to the meeting be and are hereby approved and adopted."

2. To declare dividend for the Financial Year ended March 31, 2022 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** a dividend of ₹ 2.50 per equity share on the paid-up equity share capital of the Company as recommended by the Board be and is hereby declared for the Financial Year ended March 31, 2022."

3. To appoint a Director in place of Mr. R. Sampath (DIN-00092144), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** Mr. R. Sampath (DIN-00092144), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

4. **To re-appoint Mr. R. Parthasarathy as Chairman and Managing Director and in this regard to consider and, if thought fit, pass, with or without modification(s), the following resolution as a Special Resolution:**

   "**RESOLVED THAT**, notwithstanding his age completion of seventy years, pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 21st May, 2022 and 26th May, 2022 and pursuant to the section 196 of the Companies Act, 2013 and other applicable provisions of the Act and Articles of Association of the Company, Mr. R. Parthasarathy (DIN: 00092172), Director, be and is hereby re-appointed as "Chairman and Managing Director" of the Company with effect from August 01, 2022 for a period of three years.

   FURTHER RESOLVED THAT Mr. R. Parthasarathy, Managing Director of the Company be paid remuneration as stated below:

   i) Basic Salary per month ₹ 15 Lakhs (with annual increment of ₹ 2 Lakhs in April each year)

   ii) Commission up to 3% of net profits of the Company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT in addition to the above remuneration, Mr. R. Parthasarathy shall be entitled to

a) Perquisites like HRA/unfurnished / furnished Accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance, medical insurance for self and family, telephone, etc. such perquisites being restricted to 50% of the Basic Salary for the relevant year.

b) Company's contribution to Provident Fund and Superannuation Fund, each as applicable as per Rules/ Norms, or payments made in lieu of such contributions; 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 aforesaid, 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.

FURTHER RESOLVED THAT pursuant to Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof), the consent of the Members of the Company be and is hereby accorded to pay minimum remuneration to Mr. R. Parthasarathy, Managing Director for the financial year, in which there are no profits or profits are inadequate, during the period commencing from August 01, 2022 till the expiry of his term i.e. July 31, 2025.

FURTHER RESOLVED 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."

5. **To re-appoint Mr. Arun Ramanathan (DIN 00308848) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

   "**RESOLVED THAT** notwithstanding his age completion of 75 years during the proposed tenure, pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 21st May, 2022 and 26th May, 2022 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Arun Ramanathan (DIN 00308848), who holds office of Independent Director up to July 21, 2022 and being eligible for re-appointment as well as meeting the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of three (3) consecutive years from 22nd July, 2022"

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT**, subject to the approval as may be required from the Central Government, the appointment of M/s GSVK & Co., Cost Accountants, having Registration No. 002371 at 8/4 VJ Flats, 30A Valmiki Street, Thiruvanmiyur, Chennai -600041 as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for the Financial Year 2022-23 for a remuneration of ₹ 30,000/-, in addition to reimbursement of out of pocket expenses, be and is hereby ratified."

7. **To appoint Mr. Arun Alagappan (DIN: 00291361) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution**:

   "**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Arun Alagappan (DIN: 00291361), being eligible for appointment as well as meeting the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company to hold office for a term of Five (5) consecutive years from the conclusion of this meeting."

I. NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Thursday, July 21, 2022 to Wednesday July 27, 2022 (both days inclusive) for the purpose of Annual General Meeting and for determining members eligible for dividend, if declared by the shareholders.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE Company.
4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy. However, such person shall not act as a proxy for any other person or shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
5. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend, if any, up to the Financial Year 2014-2015 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 the 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 Reg. 36(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.

7. Electronic copy of the Notice of the 49th 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 49th 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.

8. Members may also note that the Notice of the 49th Annual General Meeting and the Annual Report for 2021-22 will also be available on the Company's website www. thirumalaichemicals.com and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www. bseindia.com and www.nseindia.com respectively and on the website of CDSL https://www.evoting. nsdl.com for their download.

9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at www.thirumalaichemicals.com and on the website of the Company's Registrar and Transfer Agents, Link Intime India Pvt. Ltd, at https://web.linkintime.co.in/KYC-downloads.html. It may be noted that any service request can be processed only after the folio is KYC Compliant.

10. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website www.thirumalaichemicals.com. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to Registrar and Share Transfer Agent in case the shares are held in physical form.

11. Members may note that Income Tax Act, 1961 as amended by and read with the provisions of the Indian Finance Act, 2020 mandates that dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend if declared by the shareholders.

12. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company / Registrar and Share Transfer Agent (if shares held in physical form).

13. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

14, Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits.

15. The aforementioned documents (duly completed and signed) are required to be uploaded on RTA's website at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before July 12, 2022 in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/ or unsigned forms, declarations and documents will not be considered by the Company.

16. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, bank details along with KYC documents to their DPs in case the shares are held by them in electronic form and "Link Intime India Private Limited" on their email ID at rnt.helpdesk@linkintime.co.in if shares held in physical form.
17. 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 INE338A01024.
18. Members / Proxies are requested to bring attendance-Slip along with their copy of Annual Report to the Meeting.
19. Voting through electronic means

A) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the Members to exercise their right to vote at the 49th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the meeting.

The instructions for shareholders voting electronically are as under:

The voting period begins on July 23, 2022 at 3.00 pm (IST) and ends on July 26, 2022 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 20, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on July 26, 2022.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular**,** Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
	If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

a. The shareholders should log on to the e-voting website **www.evotingindia.com**.

b. Click on "Shareholders" module.

c. Now enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

d. Next enter the Image Verification as displayed and Click on Login.

e. If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-voting of any Company, then your existing password is to be used.

f. If you are a first-time user follow the steps given below:

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

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

(iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

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

(v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(vi) 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.

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

(viii) 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.

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

(x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xii) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the "Corporates" module.
- 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 linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; rmimani@csrma.in/mmimani@csrma.in and **rajagopalan.t@thirumalaichemicals.com,** if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS TO REGISTER EMAIL/MOBILE NO. FOR SHAREHOLDERS WHO HAVE NOT REGISTERED THE SAME WITH THE Company/DEPOSITORIES.

(i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

(ii) For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

(iii) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to **helpdesk.evoting@cdslindia.com** or contact at toll free no. 1800 22 55 33

B. The Company has arranged for live webcast of AGM and procedure to view the live webcast of AGM is given below:

(i) The procedure to view the live webcast of AGM provided by CDSL is same as the instructions mentioned above for e-voting.

(ii) The link for view the live webcast of AGM will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

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

D. The Board of Directors has appointed Mr. Manoj Mimani of M/s. R.M. Mimani & Associates LLP, Company Secretaries (Membership No. ACS 17083) and failing him Mrs. Ranjana Mimani, Practicing Company Secretary (Membership No. FCS 6271) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

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

II. Details of Director/Auditors Seeking Appointment/Re-appointment as Required Under Regulation 36(3) & (5) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015:

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

Mr. R. Sampath aged 77, is the Non-Executive Director of the Company, liable to retire by rotation. He is also one of the promoters of the Company. As he is retiring at this AGM, it is proposed to re-appoint him as Director of the Company. His brief profile is given in below:

Qualification	BSc (Chemistry) from University of Bombay and has a Chemical Engineering degree from USA.
Expertise in specific functional areas	He started his career in a Multinational Company and possesses more than 50 years of experience in operation, and managing businesses.
Relationship with Director	Mr. R. Parthasarathy - Director & Mrs. Ramya Bharathram – Director
Directorship in other Companies	i. Ultramarine & Pigments Limited ii. Ultramarine Specialty Chemicals limited
Shareholding in the Company	20,000 Equity Shares

The Directors recommend the resolution set out at item No. 3 of the accompanying Notice for your approval. Except Mr. R. Sampath, and his relatives Mr. R. Parthasarathy and Mrs. Ramya Bharathram, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No. 3. The other relatives of Mr. R. Sampath may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

ITEM 4

Mr. R. Parthasarathy, aged 71 years, was appointed as Chairman and Managing Director of the Company respectively for a period of three Years effective from August 1, 2019.

Since the aforesaid appointment ends on 31st July, 2022, it is proposed to re-appoint Mr. R. Parthasarathy as the Chairman and Managing Director of the Company for a further period of three years from 1st August, 2022 to 31st July, 2025 on the terms and remuneration as proposed in the resolution.

The profile of Mr. R. Parthasarathy is given below: -

Qualification	Mr. R. Parthasarathy is a qualified B. Tech. (IIT), M.S., (USA)
Expertise in specific functional areas	He has over 45 years of experience in the Chemical and Petrochemical Industries. Under his stewardship in the last few years, the Company has been able to diversify its business, improve in performance and health, create a strong management team and emerge stronger.
Relationship with Director	Mr. R. Sampath – Director
Directorship in other Companies	i. Jasmine Limited ii. N. R. Swamy Investments Private Limited
Shareholding in the Company	24,28,811 Equity Shares

As the Chairman and Managing Director Mr. R. Parthasarathy shall perform such functions as may from time to time be entrusted to him by the Board. He shall be subject to the supervision and control of the Board of Directors. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

The special resolution as set out against item No. 4 was approved by the Nomination & Remuneration Committee and the Board at their respective meetings held on May 21, 2022 and May 26, 2022. As Mr. R. Parthasarathy has attained the age of 71 years, in accordance with proviso to Section 196 3(a), the Company seeks consent of the members by way of special resolution for continuation of his holding the office of Chairman and Managing Director even after attaining the age of 70 years.

The Board is of the opinion that the appointment of Mr. R. Parthasarathy as Chairman and Managing Director would be in the interest of the Company and it is desirable to continue to avail services of Mr. R. Parthasarathy as Chairman and Managing Director due to his extensive experience regardless of his age. Accordingly, the Board recommends the resolution in relation to appointment of Mr. R. Parthasarathy as Chairman and Managing Director, for the approval by the shareholders of the Company.

Except Mr. R. Parthasarathy and his relative Mr. R. Sampath, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No.4. The other relatives of Mr. R. Parthasarathy may be deemed to be interested in the resolution set out at Item No.4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

The statement containing additional information as required in Schedule V of the Companies Act, 2013:

I. General information:

(1) Nature of industry – The Company is into manufacture of Phthalic Anhydride, Maleic Anhydride and Food Acids.

(2) Date or expected date of commencement of commercial production - The Company commenced operations in the year 1973.

(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) Foreign investments or collaborations, if any - Mentioned in the Director's Report.

II. Information about the appointee:

(1) Background details – Please refer explanatory statement Item No 4

(2) Past remuneration (For last three years)

Year	Amount	Year	Amount	Year	Amount
2021-2022	6,19,40,730	2020-2021	4,80,65,295	2019-2020	2,03,19,307

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

(3) Recognition or awards – Please refer explanatory statement Item No 4

(4) Job profile and his 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 from his leadership and valuable guidance.

(5) Remuneration proposed – The proposed remuneration of Mr. R.Parthasarathy as mentioned in the resolution 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 Mr. R.Parthasarathy 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 or other director if any. – Please refer explanatory statement Item No 4.

III. Other information:

(1) Reasons of loss or inadequate profits - There is no inadequacy of profit for the financial year 2021-22.

(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.

ITEM 5

Mr. Arun Ramanathan, aged 73, was appointed as an Independent Director of the Company by the members at the 44th AGM of the Company held on July 22, 2017 for a period of Five consecutive years which ends on July 21, 2022. As per Section 149(10) of the Act, Mr. Arun Ramanathan is eligible for re-appointment on passing a special resolution by the Company. After considering the performance evaluation of Mr. Arun Ramanathan, and based on the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their meeting held on May 26, 2022, recommended the re-appointment of Mr. Arun Ramanathan as an Independent Director for another term of 3 (Three) consecutive years from July 22, 2022. Mr. Arun Ramanathan meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. His brief profile is given below.

Qualification	He holds Masters Degrees in Nuclear Physics from Andhra University, Business Administration from Madras University and Development Economics from Cambridge University. He is an Associate Member of the Institute of the Cost and Works Accountants of India.
Expertise in specific functional areas	He is a IAS Officer (Retd) & has held assignments in diverse areas in promotion or management of small, medium and heavy industry at the level of Secretary & Joint Secretary. His most recent positions was Secretary (Department of Chemicals, Petrochemicals & Pharmaceuticals), Secretary (Financial Services) and Union Finance Secretary (in 2009). He is a member of the Audit Committee and the Chairman of the CSR Committee of the Company.
Relationship with Director	NIL
Directorship in other Companies	i. Equitas Holdings Ltd ii. Equitas Small Finance Bank Limited.
Shareholding in the Company	NIL

Mr. Arun Ramanathan will attain the age of 75 years in April 2024. Hence in accordance with Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company seeks consent of the members by way of special resolution for continuation of his holding the office of Independent Director even after attaining the age of 75 years during the currency of his proposed tenure.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Arun Ramanathan as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Mr. Arun Ramanathan as an Independent Director, for the approval by the shareholders of the Company. Except Mr. Arun Ramanathan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5

ITEM 6

The Board at its meeting held on 26th May, 2022, as recommended by the Audit Committee, appointed M/s. GSVK & Co., Cost Accountants, having Registration No. 002371 at 8/4 VJ Flats, 30A Valmiki Street, Thiruvanmiyur, Chennai -600 041 as Cost Auditors to audit the Cost Accounts of the Company and to issue Compliance Certificate for the Financial Year 2022-23 for a remuneration of ₹ 30,000/-, 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 Auditors has to be ratified by the Shareholders. Hence this Resolution is placed for the consideration of the shareholders. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 6. The Directors recommend the Resolution set out at item No. 6 of the accompanying Notice for your approval.

ITEM 7

It is proposed to appoint Mr. Arun Alagappan, aged 45 years as an Independent Director of the Company for a term of Five years from the conclusion of the ensuing Annual General Meeting.

Based on the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Board of Directors have, recommended the appointment of Mr. Arun Alagappan as an Independent Director for a term of Five consecutive years (5) from the conclusion of this AGM. Mr. Arun Alagappan meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. His brief profile is given below.

Qualification	He has completed his Graduation in Commerce from the University of Madras and has completed the 'Owner President/ Management Program' from Harvard Business School.
Expertise in specific functional areas	Mr. Arun Alagappan is the Executive Vice Chairman of Coromandel International Limited (CIL) and is a member of the Murugappa Family, the promoters of the INR 417 Billion Murugappa Group of Companies. He was the Managing Director of Cholamandalam Investment and Finance Company Limited (CIFCL), prior to joining Coromandel International Limited. Mr. Arun Alagappan started his career with GE Capital Services India in 1997. After a two-year stint with GE, he joined the Murugappa Group in 1999 in Parryware (part of EID Parry India Ltd.). Between 2005 to 2017, he served in Tube Products of India heading various divisions and eventually took over as Business Head of TI Cycles. In August 2017, Mr. Arun Alagappan was appointed as Executive Director of Cholamandalam Investment and Finance Company Limited and subsequently took over as the Managing Director of the Company in November 2019. Mr. Arun Alagappan is acknowledged as a thought leader in the Bicycle Industry, the NBFC Industry and the agri-chemicals industry.
Relationship with Director	NIL
Directorship in other Companies	i. M A Alagappan Holdings Private Limited ii. Coromandel International Limited iii. Lakshmi Machine Works Limited iv. Roca Bathroom Products Private Limited v. Yanmar Coromandel Agrisolutions Private Limited vi. Ambadi Enterprises Limited vii. Southern India Chamber of Commerce & Industry viii. Madras Race Club ix. Dare Ventures Limited
Shareholding in the Company	NIL

The Board recommends the resolution in relation to appointment of Mr. Arun Alagappan as an Independent Director, for the approval by the shareholders of the Company. Except Mr. Arun Alagappan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7.

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.
24th June, 2022

Board of Directors

***Mr. R. PARTHASARATHY** is the Chairman & Managing Director of Thirumalai Chemicals Limited. He has served as Vice-President and President of the Indian Chemical Council from 2007-2011. He has managed Manufacturing, Technology Development, Marketing, and Business start-ups in India, Europe and the US. He is deeply involved in Education & Healthcare projects serving rural communities in South India.*

***Mrs. RAMYA BHARATHRAM** is Managing Director and CFO of TCL. She heads Strategy, and the Specialty Chemicals Businesses. She has over 20 years of experience in marketing, business management, new business development, customs & excise and Trade Policy. She worked for a leading law firm in India where she specialized in Trade policy and Indirect taxation. She worked for Deloitte and Touché.*

***Mr. P. Mohana Chandran Nair** is an Executive Director and has worked at TCL for 9 years as President (Mfg). Mr. P. Mohana Chandran Nair is a Chemical Engineer with over 36 years of experience in various roles at Rashtriya Chemicals and Fertilizers Ltd (RCF). He was the Head of Operations and Profit Centre Head, before he joined TCL.*

***Mr. R. SAMPATH** is the Chairman of Ultramarine & Pigments Limited. He is a Chemistry graduate from University of Bombay and has a Chemical Engineering degree from the USA. He started his career in a multinational Company and has more than 50 years of experience in operations, and managing businesses.*

***Mr. R. RAVI SHANKAR** is the Chairman of the Audit Committee of TCL. He is the Founder /CEO of an independent consultancy that advises in M&A, Valuation and Investment Banking. Prior to this he was a Senior Partner in Ernst & Young for 10 years from 1997-2007 as National Head of Business Consulting, Valuation and was the Regional Managing Partner at Chennai. Prior to Ernst & Young he worked for Unilever PLC in London as Global Sourcing Manager for Personal Care Products and thereafter headed the M&A Division of Hindustan Unilever Ltd., at Mumbai, India as its General Manager. He is the Chairman of the Audit Committee of the Company.*

***Mr. RAJ KATARIA** is an experienced Investment Banker with over 25 years in M&A and Capital Markets. He has significant expertise in Company Law and Corporate Structuring matters and was Managing Director at DSP - Merrill Lynch. He is co-founder and Whole-time Director of Arpwood Capital Private Limited, where he has been involved in several high profile M&A transactions during the last 10 years. He is the Chairman of the Nomination & Remuneration Committee of TCL and is active in Governance and Corporate matters. He is also on the TCL Audit Committee.*

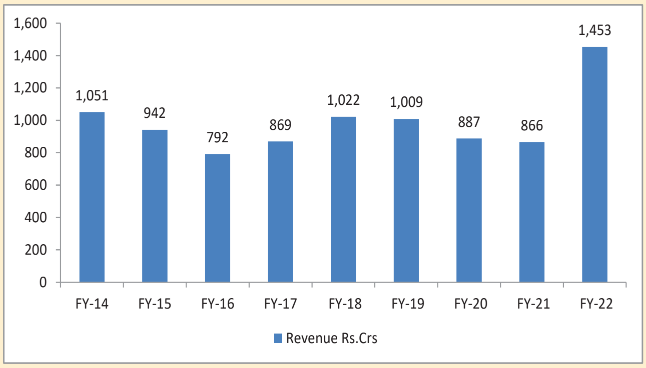
***Mr. DHRUV MOONDHRA** is an entrepreneur and CEO of Ice Steel 1 Pvt Ltd. He is an Independent Director on the Board of TTK Prestige Limited. He has in depth experience in Distribution, Trading and Manufacturing. He has also led business start-ups in the United Kingdom and India. He is an active member of the Business Review and Risk Management Committees.*

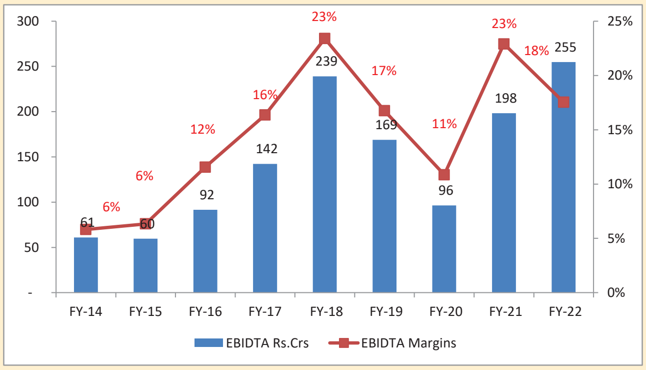
***Mr. ARUN RAMANATHAN** (IAS Officer retired) has held assignments in diverse areas in promotion and management of small, medium and heavy industry. His most recent positions were Secretary (Department of Chemicals, Petrochemicals & Pharmaceuticals), Secretary (Financial Services) and Union Finance Secretary (in 2009) in the Government of India. He is currently an Independent Director on several Boards and also member of the Advisory council to several organizations. He brings deep Governmental, Regulatory and Governance expertise to your Company. He is the Chairman of the Company's CSR & Stakeholders Relationship Committees and a member of the Audit Committee.*

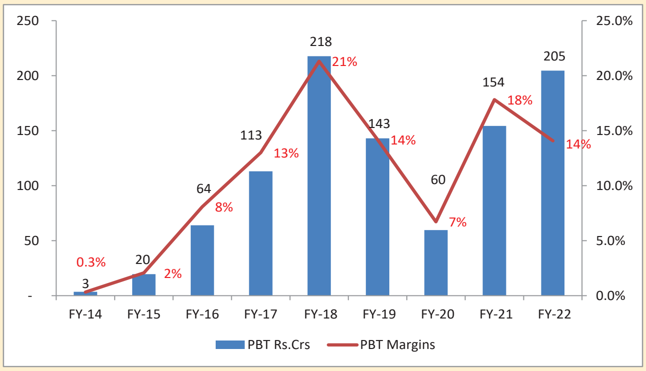
***Mr. RAJEEV M PANDIA** is a Chemical Engineer from IIT, Bombay and holds a Master's degree from Stanford University, USA. During 2000-2002, he was the President of Indian Chemical Council. He headed Herdillia Chemicals Limited (later Schenectady Herdillia Limited and SI Group – India Limited) from 1992 and was its Vice Chairman and Managing Director until December 2008. He was thereafter Group Adviser and Director – Global Markets of SI Group, USA. He has been providing extensive support for several years to the CMD and the Management team at TCL and OOSB. He is the Chairman of the Business Review and Risk Management Committees of the Company.*

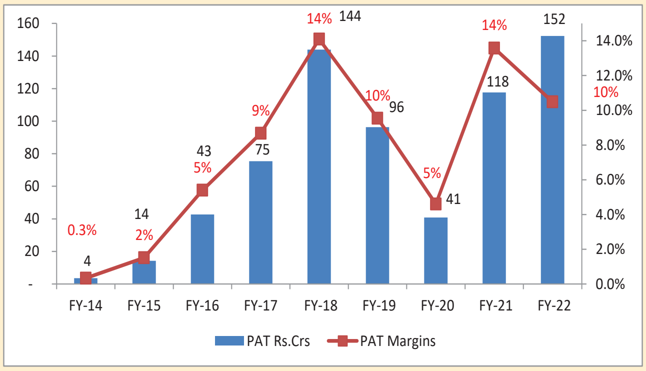
***Mrs. BHAMA KRISHNAMURTHY** has done her Masters in Science (M.Sc.) from Mumbai University. She was Country Head and Chief General Manager, SIDBI. She had a career spanning over 35 years in IDBI (now IDBI Bank) and SIDBI, an Apex Development Bank for micro, small and medium enterprises in India covering all areas of development in banking operations both from policy perspectives and relating to implementation aspects. Her key accomplishments over the years have been her association with framing various policy documents for SIDBI and piloting such policy papers in the Board for adoption. She has closely dealt with Multilateral and Bilateral Agencies in close coordination with the Government of India. Her areas of specialisation include, inter-alia, handling of Human Resource Development Division covering recruitment, training and promotion aspects; association with drafting of CSR Policy guidelines for the Bank; resource raising and management, integrated treasury operations, credit dispensation and management and risk management. She is a member of CSR & Audit Committee of the Company.*

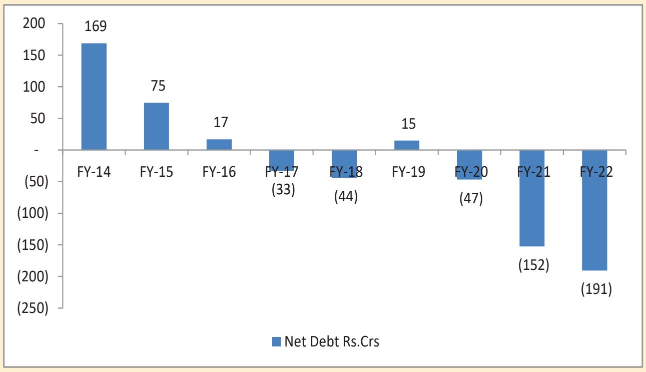
PERFORMANCE INDICATORS – STANDALONE

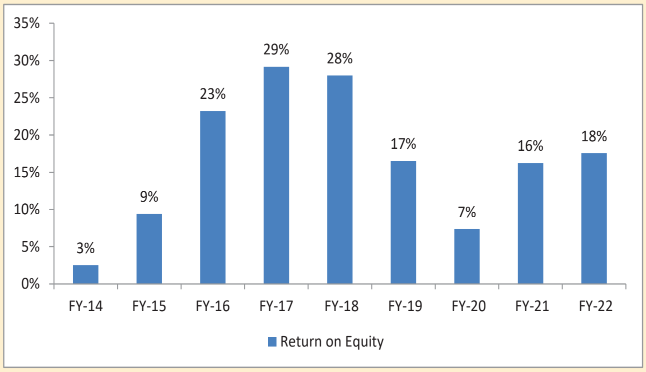


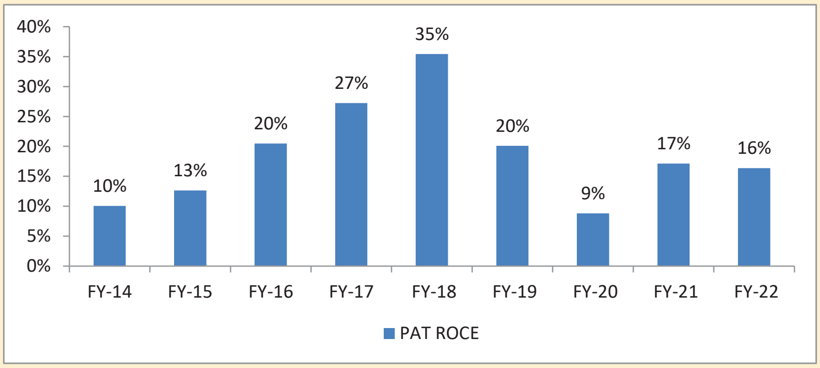




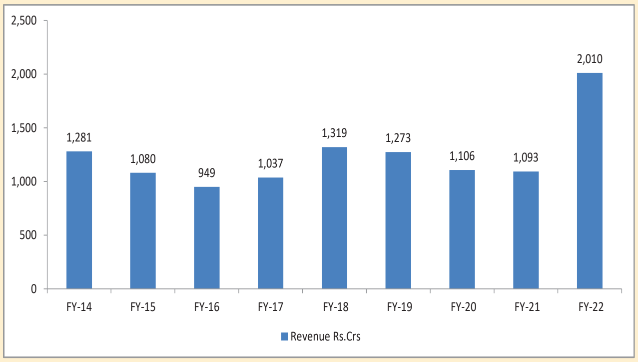


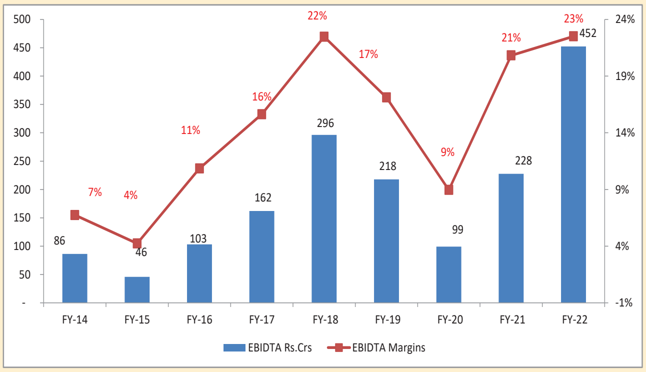


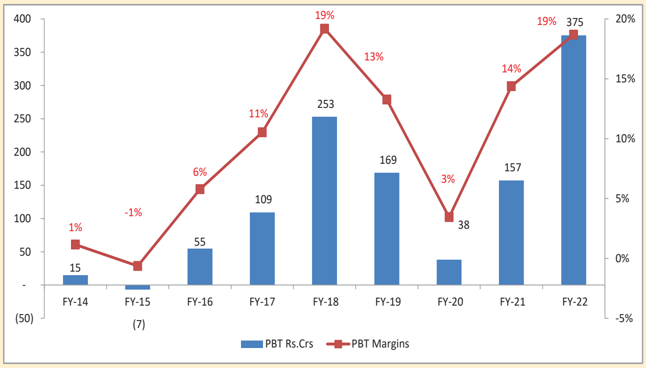


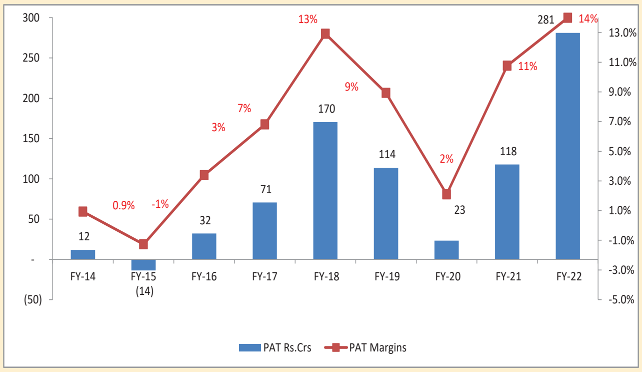


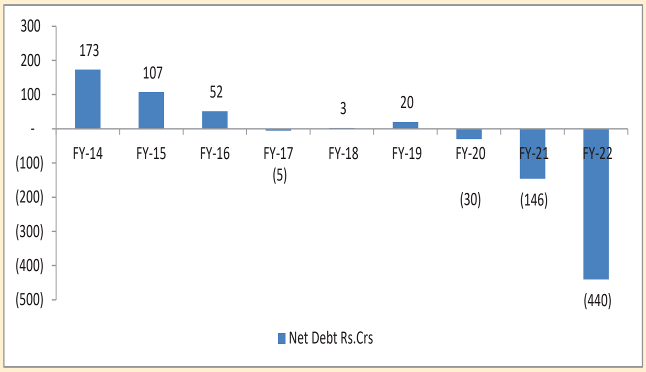
PERFORMANCE INDICATORS – CONSOLIDATED

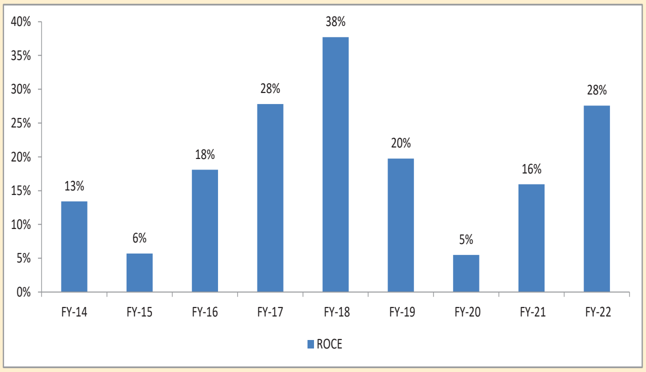


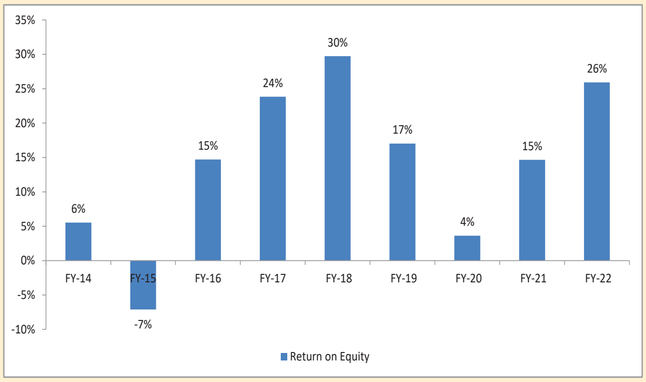












Revamp Project: A new Fired Heater - Utility Section

PA Plant - Ranipet, during revamp

New Food Ingredients - Fine Chemicals Unit

PA Plant Revamp : Oxidation Section - Ranipet

A section of the Fine Chemicals Plant

Overview of our subsidiary in Malaysia - The Maleic anhydride Plant

Butane Processing and Butamer Plant: Malaysia

Maleic - Distillation Unit after Expansion : Malaysia

New Maleic derivatives Plant: Malaysia

DIRECTORS' REPORT

With Management Discussion & Analysis

To,

The Members

Thirumalai Chemicals Limited

Your Directors are pleased to present to you the Forty Ninth Annual Report & Audited Statement of Accounts of the Company for the year ended March 31, 2022. The Management Discussion and Analysis has also been incorporated into this report.

STANDALONE FINANCIAL RESULTS – Summary

(₹ In Lakhs)

Particulars	Year Ended 31 Mar 2022	Year Ended 31 Mar 2021
Revenue from Operations	1,43,809	85,718
Other Income	1,473	879
Total Revenue	**1,45,282**	**86,597**
Gross Profit/(Loss) before Interest, Finance Charges and Depreciation **(EBITDA)**	25,475	19,836
Interest and Finance Charges	(1,818)	(1,887)
Profit/(Loss) before Depreciation and Tax	**23,657**	**17,949**
Depreciation	(3,198)	(2,521)
Profit/(Loss) before Tax (PBT)	**20,459**	**15,428**
Provision for Tax	(4,929)	(4,062)
Profit/(Loss) after Tax	**15,530**	**11,366**
Provision for Deferred Tax	(299)	396
Profit/(Loss) after Tax (PAT)	**15,231**	**11,762**

The Net Revenue including Export Earning (FOB) during the year was ₹15,791 Lakhs(Previous Year: ₹ 6,630 Lakhs).

CONSOLIDATED FINANCIAL RESULTS

(₹ In Lakhs)

Particulars	Year Ended 31 Mar 2022	Year Ended 31 Mar 2021
Revenue from Operations	1,99,819	1,08,574
Other Income	1,159	687
Total Revenue	**2,00,978**	**1,09,261**
Gross Profit/(Loss) before Interest, Finance Charges and Depreciation (EBITDA)	45,237	22,756
Interest and Finance Charges	(2,037)	(2,091)
Profit/(Loss) before Depreciation and Tax	**43,200**	**20,665**
Depreciation	(5,663)	(4,952)
Profit/(Loss) before Tax (PBT)	**37,537**	**15,713**
Provision for Tax	(9,208)	(4,067)
Profit/(Loss) after Tax	**28,329**	**11,646**
Provision for Deferred Tax	(206)	123
Profit/(Loss) after Tax (PAT)	28,123	11,769

Dividend

Based on the performance of the Company and the anticipated Investments in various Projects that have been announced, your Directors have recommended a dividend of ₹ 2.50 per share for the Financial Year 21-22 (previous year ₹ 2.20/-per share was paid). This would result in an out flow of ₹ 2,560 Lakhs, if approved by the shareholders at the Annual General Meeting.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Post Covid Recovery

After almost two years of immense impact on the health care system and the people in general, the world seems to be slowly returning to normal. In spite of certain regions of the world that still have restrictions on normal activities, almost all industries and economies have returned to pre-Covid levels of activity. High vaccination levels in India and many parts of the world have helped a great deal in controlling the outbreak at manageable levels. Industrial output has grown year on year, beating market expectations. The job market in India has also seen a huge fillip, riding on the back of buoyancy of retail and industry performance.

The year started with the second wave hitting the country - and the world – very hard. The number of COVID infections increased many fold. The hospitals were inundated with patients needing critical care; unfortunately, there was a large loss of life also. Post September 2021, the world slowly got back on its feet and businesses started returning to normal. The last quarter of the year saw a significant impact in various spheres due to the Russia-Ukraine conflict and consequent internationational reactions. These geo-political issues have given rise to fluctuations in crude oil and other commodity prices, resulting in uncertainties in the market. Inflation rates have seen unprecedented increase. Your company has been able to weather through all these changes very effectively due to strong fundamentals that have been established in the past decade and the dedication and forethought of all the staff and management. There has been a tremendous push towards improving operations and bringing in best practices in all areas, including safety, environment, reliability and market focus.

Business Performance

The performance of your Company during the Financial Year 2021-22 has been excellent. The improvement in market demand witnessed in the last quarter of the previous year continued into the current financial year. The initiatives taken on energy generation and consumption played a significant part in reducing the cost of production. The PA plant recorded the highest ever production and contributed significantly to reduce the overall energy cost at our Ranipet site.

The second wave of the pandemic took a huge toll on the country. Some of our operations, were impacted due to the second wave, during the first quarter of this financial year. Many of our employees caught the virus and were out of commission for a long time.

The various teams in your Company rose to the occasion and managed the operations through these disruptions and challenges. The efforts ensured that there were no interruptions to the operation of the plants resulting in substantially higher operating rates of all products.

The overall market resilience and optimism was reflected in the performance of your company. All the customer industry segments, viz. plasticizers, polyester resins, paints and pigments, food, pharma and personal care saw renewed demand, both in India and overseas. In India, the announcements by the Government on investments in infrastructure provided impetus to demand of our downstream products.

The summary of the quarterly performance given below reflects this growth.

Sl. No.	Quarter	Revenue in Rs. (Lacs)	EBITDA in Rs. (Lacs)	PBT in Rs. (Lacs)
1	Q1 FY21-22	28,909	6,512	5,418
2	Q2 FY21-22	35,150	4,853	3,543
3	Q3 FY21-22	38,214	6,459	5,288
4	Q4 FY21-22	41,536	7,651	6,210

This buoyant performance was largely contributed by the high margins seen in the primary product, Phthalic Anhydride. The world also saw unprecedented increases in logistics cost and huge interruptions in supply chain across the board. This made it necessary for many industries to turn completely to local producers for supply of many raw materials and other ingredients. Imports inevitably came down because of uncertain supplies. This also contributed to the increased margins and greater demand for our products.

The past two years of pandemic induced issues has impacted the way people do business. The Government's encouragement and push to get more and more people vaccinated has helped reduce hospitalisations. This has given people, including health care workers and employers a much greater confidence in their ability to handle any further waves of the infection. Hybrid work culture and video conferencing have become the norm.

Overall Business and the Individual Units/ Products

The performance of your company has been commendable in all respects and the strategies adopted at the market place yielded good results. The team worked diligently in optimising customer mix and were nimble in dealing with the logistics issues. This has resulted in your company posting the best ever consolidated results in its history.

Phthalic Anhydride (PAN)

Our main commodity business, Phthalic Anhydride (PAN) turned in an impressive performance despite huge increase in the price of raw material Ortho xylene in the last quarter of the financial year. Price increases of other raw materials also impacted one of our key market segment of pigments. The other market segments like paints, plasticizers and unsaturated Polyester resins fared reasonably well during the year. The efforts taken by the company during the last 5 years in focussing on healthy and growing customers, providing excellent service have shown good results.

On the manufacturing front, the modernisation and continuous upgrade of the PAN facilities at Ranipet in Tamil Nadu, resulted in better Productivity, Quality, Reliability and Safety.

With better margins and good working capital management your company could set aside its cash flows for business growth and projects; this will also help us in taking further growth decisions.

The project at Dahej, was commissioned in June 2021 after significant delays due to covid related manpower shortages and material deliveries. The various start-up related problems were attended during subsequent quarters and the plant has now started producing in a stable manner since January 2022. We are now well positioned to meet customer demand effectively in our major west India market.

Fine Chemicals and Food Ingredients

The Fine Chemicals and Food Ingredients business bounced back from a sluggish 2020-21. We revamped some of the utilities and other systems to bring in efficiency and higher productivity. We are happy to report the highest ever production of Food ingredients in the year.

The business scenario was characterised by robust demand on the one hand and supply chain disruptions caused by the second and third waves of the pandemic on the other. Several employees in the plants had tested positive for Covid during the second wave. The investments made in equipment, spares and process technology helped your company to operate the plants at 20-25% higher rates in spite of the disruptions.

The combined strategy of focusing on high value European and American markets, procurement of raw materials in advance and smart pricing helped the business achieve its best operating margins since inception. The rapid increase in prices of key raw materials & freight costs were countered with suitable adjustments in pricing. Our sales to strategic markets like EU and US continued to be high, and in the process we were able to cater to a lot of new customers. The presence of our marketing and logistics subsidiary in the EU, TCL Global BV, played a key role in this.

Significant efforts went into maintaining relationships with customers and identifying new opportunities. From Q4 when supply chain started to stabilize, the business also started market seeding activity for the US. Plans for increasing the capacity for some of these products are now under management approval. Many of our customers have unveiled expansion plans and we foresee strong growth.

Human Resources and Strengthening the Organization

Continuing the organisation building that we had started in the previous financial year, there have been a lot of new inductions during the FY 2021-22. The middle management level has been strengthened with experts in each discipline. Younger professionals have also been inducted to keep the pipeline of managers, design & operation staff, and technicians healthy. This is in keeping with the company policy to induct and train a regular stream of young professionals every year. The structured training module followed by the company is known to be one of the most rigorous in the industry.

Our Group CEO, Mr. C. G. Sethuram has started working on various approaches to organizational growth, including new projects, products and strategic initiatives.

Our new CEO, Mr. Sanjay Sinha, has settled into the organisation smoothly. He has brought in best practices in business & manufacturing operations, and has been working with the teams to ensure reliability and consistency in processes.

We have also inducted a new site head in Ranipet, Mr. R. Srinivasa Raghavan as President-Manufacturing. He has had varied experience in operating petrochemical plants in western India. He is known for effectively working with teams to ensure cohesive operations. He also brings with him tremendous operating knowledge, which he has put to good use in the plants.

The various projects undertaken by the Company have necessitated hiring of engineers and managers at all levels. The process of recruitment has been very rigorous to ensure that the company is able to employ some of the best talents available. This has resulted in excellent work done in the technology and engineering areas. Many young employees have come forward with new ideas and produced efficiencies in processes.

Your company has also been working on updating the HR policies to reflect the best practices in industry.

With multiple sites and new challenges this is essential as we work in an increasingly volatile environment. We have restructured our HR department and have progressed well on the management development program of the company.

Projects

After successful commissioning and operation of the Dahej Phthalic Anhydride plant, your company has embarked on a large project in Dahej through a subsidiary, TCL Intermediates Pvt. Ltd. (TCL IPL), for manufacturing of Phthalic Anhydride, fine chemicals and derivatives. There will be two phases of capacity of about 110 KT each.

The engineering and procurement for the first phase is in progress and the commissioning of this plant is expected to be in Q3 to Q4 2023-24. The project is in the process of obtaining various regulatory approvals and is expected to start construction shortly.

US Project and US Subsidiary Activities

Our US subsidiary was able to progress significantly in the implementation of the project. Your company TCL India has now completed the 25 m$ Equity investment fully in the subsidiary. During the year, the subsidiary was able to complete ordering of almost all the equipment for the project and start on construction. Financial commitments for the project from Lenders have been finalized by the US subsidiary.

Modular construction of over 80% of the US plant has started at TCL Technology and Engineering (SEZ) Division in India. The subsidiary aims to minimize construction activity in the US by building the project modularly largely in India; this helps in cost optimization, safety and scheduling. The US subsidiary expects to commission the plant by H1-CY 2024.

Our Subsidiary in the Netherlands TCL Global BV

Our European subsidiary (TCL Global BV) in the Netherlands completed its first full year of operations and was profitable. TCL Global BV markets the products of TCL India and of our subsidiary in Malaysia in Europe. The presence of the subsidiary within Europe enables it to regularly interact with European customers, obtain quality market information and ability to sell to many direct customers resulting in better margins overall for the group. These interactions were instrumental in greater penetration in the EU market for all the products of TCL and OOSB. With the subsidiary in place, the TCL group is able to respond very quickly and to offer real time services to EU customers including supply of products out of an EU warehouse. As we expand our manufacturing in western India and in the us, we expect the European presence to be a significant catalyst for our export growth.

Our Subsidiary in Malaysia

The Malaysian subsidiary "Optimistic Organic Sdn. Bhd." posted an excellent performance during the year 2021-2022. This was because of many improvement programmes undertaken in the past years and during the year to ensure reliability of the plant for continued quality production. In addition, a complete reorganisation of customer mix was undertaken to maximise the sales quantity and net realisations. The geographical spread of the customers was also widened to minimise regional variations and risks arising from volatility in the markets. The company has also undertaken several initiatives during the year to strengthen behavioural safety and obtained A grade with >97% in the audit conducted by the Government of Malaysia. The company has achieved highest ever production and profits in the financial year and has built sufficient cash reserves for its growth plans.

STANDALONE FINANCIAL RESULTS OF THE SUBSIDIARY (OOSB)

(USD in Lakhs)

Sl. No.	Particulars	Year Ended 31-Mar-22	Year Ended 31-Mar-21
1	Revenue from Operations	812.87	323.66
2	Other Income	0.54	0.07
3	**Total Revenue**	**813.42**	**323.73**
4	Gross Profit / (Loss) before Interest,Finance Charges and Depreciation (EBITDA)	273.39	40.43
5	Interest and Finance Charges	(1.74)	(1.67)
6	**Profit/(Loss) before Depreciation and Tax**	**271.65**	**38.76**
7	Depreciation	(33.78)	(33.49)
8	**Profit/(Loss) before Tax (PBT)**	**237.87**	**5.27**
9	Provision for Tax	(57.61)	(3.37)
10	**Profit/(Loss) after Tax**	180.26	1.90
11	Provision for Deferred Tax	-	
12	**Profit/(Loss) after Tax (PAT)**	**180.26**	**1.90**

Finance

Your Company's finances have been strengthened over the last few years by ensuring better working capital management and improving cash flows through better margins. This has helped the company greatly in its growth over the past couple of years. The company has been net debt free and this has enabled us to make available funds for expansions and investments in subsidiaries. The past few months have seen significant increases in raw material prices which have necessitated higher working capital in the business. However, due to the strength of its internal accruals, the company has been able to manage this without any additional borrowing. The finance team has also been strengthened to enable financial management of projects and additional sites.

The Prospects for the FY 2022-23

The announcements by the Indian Government during the previous FY regarding investments in infrastructure projects resulted in a definite improvement in the performance of all our customer segments. Our main product, Phthalic anhydride witnessed high price increases globally. This has been strongly aided the post Covid boom in retail and industrial activity within India.

In every user segment our customers have announced and have started implementing robust growth plans. This augurs well for our industry; our projects both in petrochemicals and in fine chemicals will help satisfy this growth over the coming years.

The period since September 2021 has been marked by high inflation in all primary products and especially so in metals, fuels, logistics, petrochemical feed stocks, and construction inputs.

The resultant reaction of governments around the world aimed at controlling inflation by increasing "Policy Rates" in lending will act as a dampener not only for inflation but also for global growth. Since early June 2022 we are already seeing the early impact of these in prices of metals and some other commodities.

India has historically been insulated from sharp volatility in global markets and economic events; however, with our greater integration in the last few years, there will be an impact.

There are warning signs on the horizon of deflationary and near recessionary conditions in the EU and in the US. Within India this will affect prices rather than volumes which we expect to be healthy. The management of your company however is very sensitive of these possibilities and is well prepared to handle these uncertainties. Our strong balance sheet gives us the confidence to execute the planned projects without any interruption. We will keep our shareholders regularly informed of developments.

People

Besides the regular development and training, we initiated and put in place a large number of programmes to address the impact of Covid. As states and districts gradually lift and reduce their shelter-at-home orders, we have encouraged our employees who have been working from home to return to office. We are working hard towards keeping our employees up to date and making sure they are safe in the workplace. We continue to provide round the clock care and assistance to our employees & families as well as to the community.

Since the availability of Vaccination to fight COVID-19, we have ensured an active vaccination campaign for all employees and their families and to the community. Here we work closely with the Tamil Nadu Government which has been very supportive.

Your Company would like to thank all its employees for their active support to the business and the community during the pandemic. We see our employees - our people - as the main foundation on which our company is built. Our performance would not have been possible without them.

Public Initiatives

We continue to engage in many activities both with the local administrations and the government agencies as public Initiatives. Since last year we set up multiple oxygen plants and provided oxygen concentrators to Hospitals and Tertiary care centres at places such as CMC Vellore and Government hospital Chennai. These will now directly help Hospitals and save lives. As these Plants have a long life of more than 3 decades, they become a permanent asset for the Hospitals and reduce the cost of Oxygen dramatically. During Q3 we also donated generously to the Tamil Nadu 'Chief Minister's public relief fund.

We have also contributed towards the development of the public wellbeing of the SIPCOT panchayat through sanitation for government schools, artificial limbs for amputees, Paediatric cardiac surgeries, education for tribal and underprivileged children in the Local area.

Your company was actively involved in the interactions with various stakeholders. Our employees are office bearers in various Industrial associations like Confederation of Indian Industries, Indian Chemical Council, Chemical Industries Association. These associations are in constant engagement with the Government at the centre and in the States. Your company is seen as a keen participant in all Industry initiatives, like simplification of procedures, changes and postulation of regulatory framework, feedback to statutory authorities, skilling for the industry, labour laws, trade and tariff related measures & trade negotiations.

The company is also directly interacting with the local communities and participates in several projects in the community. As Our shareholders know we strongly support the Thirumalai Charity Trust, the Thirumalai Mission Hospital and the Akshaya Vidya Trust both with financial support as also management guidance for their various programs & projects. More information about these is given elsewhere in this report. We are also in constant engagement with the district authorities and statutory authorities at a local level through periodic meetings.

Our Associates

None of this would be possible without the interest and participation of our stakeholders - Customers, Bankers, Suppliers, Distributors, Consultants, and Government agencies, and the local Communities.

We hope to have the continued involvement of all shareholders in the affairs of the company and to share in the achievements of the company in the years to come.

BOARD AND MANAGEMENT

The Board of your Company consists of

- The Chairman & Managing Director - Mr. R. Parthasarathy
- Managing Director & Chief Financial Officer – Mrs. Ramya Bharathram
- Executive Director - Mr. P. Mohana Chandran Nair
- Six Independent Non-Executive Directors:
  - ❖ Mr. R. Ravi Shankar
  - ❖ Mr. Raj Kataria
  - ❖ Mr. Dhruv Moondhra
  - ❖ Mr. Arun Ramanathan
  - ❖ Mr. Rajeev M Pandia
  - ❖ Mrs. Bhama Krishnamurthy
- **A Non-Executive Director:**
  - ❖ Mr. R. Sampath – Chairman - Ultramarine and Pigments Ltd.

They are supported closely by

- ❖ Mr. C.G. Sethuram – Group Chief Executive Officer
- ❖ Mr. Sanjay Sinha – Chief Executive Officer
- ❖ Mr. T. Rajagopalan – Company Secretary

And the Business and Functional Heads

- ❖ Mr. S. Venkatraghavan - President – Food Ingredients
- ❖ Mr. R. Srinivasaraghavan - President – Factory Operations
- ❖ Ms. J. Radha - Executive Vice President, Finance
- ❖ Mr. B. Krishnamurthy - Executive Vice President, Accounts & Systems

During the year under review, Mrs. Ramya Bharathram was appointed as Managing Director at the 48th Annual General Meeting of the Company held on July 21, 2021 and Mr. N. Subramanian, Independent Director of the Company, has retired on August 5, 2021.

Mr. R. Parthasarathy's tenure as Chairman and Managing Director will expire on July 31, 2022, and the Board recommends that he be re-appointed as Chairman and Managing Director of the Company for a further period of three years beginning August 1, 2022.

Mr. Arun Ramanathan's tenure as Independent Director of the Company expires on July 21, 2022. Hence it is proposed to reappoint him at the ensuing Annual General Meeting for a period of Three (3) years.

Your Directors play a very active role in the Company. They bring in expertise in Business Strategy and Management, Technology, Finance & Accounting, Governance, Project Appraisal & Management, Government Relations.

Their interaction with the Management team is frequent and intense, at the Board and Committees, through reviews, suggestions, criticisms & advices to the Management team over the last 8 years.

The executive management team in turn has been very transparent in presenting and discussing initiatives & plans and failures, issues & responses.

This healthy and open interaction has been of immense value to the governance, health and growth of the Company.

The Committees in the Board, especially the Risk Management Committee, Business Review Committee and the Audit Committee met often and participated in depth by setting goals, reviewing performance, correcting slippages and monitoring execution.

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

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

SOCIAL RESPONSIBILITY

Your Company continues to play an active and important role in the welfare of the local communities.

The Founders of your Company, Mr. N.S. Iyengar and Mr. N.R. Swamy had set up the Thirumalai Charity Trust (TCT) in 1970, and The Akshaya Vidya Trust (AVT) in 1994.

Thirumalai Chemicals supports TCT financially and through management reviews and in their infrastructure planning & development process.

The TCT works in Ranipet District where our main Indian manufacturing site is located, since 1983, providing services in Community Healthcare, Women's Empowerment, Disability, De-addiction, and Village development.

The TCT founded and operates the Thirumalai Mission Hospital, which provides primary healthcare in 315 villages, covering over 160,000 people. The Hospital provides both out-patient and in-patient services through departments of General Medicine, Emergency services, Intensive Medical Care, General Surgery, Paediatrics, Obstetrics, Gynaecology, Orthopaedics, ENT, Dentistry, Physiotherapy, De-addiction & Rehabilitation.

With TCLs support, the Thirumalai Mission Hospital has set up a separate centre for Non-Communicable Diseases such as Diabetes, Thyroid disorders, Endocrinology, Obesity, Osteoporosis, etc. The dialysis service started at TMH last year is expanding to serve more people.

This addresses a critical need of the community.

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

Industrial Relations:

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

Finance

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

Contribution to the Exchequer:

The amounts paid to the Central and State Exchequer by way of GST, Customs duties (incl. paid to supplier), Income Tax and other taxes, is about ₹ **31,316 Lakhs** on Gross Sales of about ₹ **1,42,368 Lakhs** (Previous Year ₹ **20,740 Lakhs** on Gross Sales of about ₹ **84,134 Lakhs**).

Contribution to the Exchequer is about **20%** of your Company's Sales.

Exports:

Calculated on FOB basis, Exports amounted to ₹ **15,791 Lakhs** (previous year ₹ **6,630 Lakhs**)

Particulars of loans, guarantees or investments

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

Related Party Transactions

All transactions entered into with Related Parties (as defined under the Companies Act, 2013) during the Financial Year were in the ordinary course of business and on an Arm's length pricing basis, and do not attract the provisions of Section 188 of the Companies Act, 2013 and were within the ambit of Reg. 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant transactions with related parties during the Financial Year which were in conflict with the interests of the Company. Suitable disclosure as required by the Indian Accounting Standards (Ind AS24) has been made in the notes to the Financial Statements.

The Board has approved of a policy for Related Party Transactions which has been uploaded on the Company's website.

Directors' Responsibility Statement:

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

In preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.

We have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period.

We have taken proper and sufficient care to maintain adequate Accounting Records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

We have prepared the Annual Accounts on a going concern basis.

Proper Internal Financial Controls were in place and that the Financial controls were adequate and were operating effectively.

Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Business Risk Management

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks. The Company has re-constituted the Business Risk Management Committee on 26.05.2021 and the details of the Committee are as given below:

Sr. No.	Name of member	Category
1.	Mr. Rajeev M. Pandia	Independent Director
2.	Mr. Dhruv Moondhra	Independent Director
3.	Mrs. Ramya Bharathram	Managing Director & CFO
4.	Mr. Sanjay Sinha	Chief Executive Officer
5.	Mr. B. Krishnamurthy	Executive Vice President Accounts & Systems

Vigil Mechanism / Whistle Blower Mechanism

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

Corporate Social Responsibility (CSR) Committee

The Committee recommended continuing support for the Thirumalai Charity Trust's Health and Rural Development Projects and for the Akshaya Vidya Trust's Educational Programmes.

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

Sr. No.	Name of member	Category
1.	Mr. Arun Ramanathan	Independent Director & Chairman
2.	#Mr. N. Subramanian	Independent Director
3.	Mrs. Bhama Krishnamurthy	Independent Director
4.	Mr. R. Sampath	Director (Promoter)

Retired on 5th August, 2021

A detailed note is given in the Corporate Governance report.

Total Expenditure on Corporate Social Responsibility (CSR) as percent of average net profit of the Company as per section 135(5)

The Company's total spending on CSR is 2% percent of average net profit of the Company as per section 135(5) towards Health and Sanitation Programmes

Statement pursuant to Listing Agreement:

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

Business Responsibility Report:

Regulation 34(2) of the SEBI Listing Regulations, 2015, as amended, inter alia, provides that the Annual Report of the top 1000 listed entities based on market capitalization (calculated as on 31st March of every Financial Year), shall include a Business Responsibility Report (BR Report).

Your Company is in the top 1000 listed entities as on 31st March, 2022. The Company, has presented its BR Report for the Financial Year 2021-22, which is part of this Annual Report.

Report on Corporate Governance

The Report on Corporate governance is annexed herewith.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and under obligations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carries out the annual performance evaluation of its own performance, of the Directors individually as well as the evaluation of working of its various Committees. A structured questionnaire is prepared after taking into consideration the inputs received from 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 is carried out to evaluate the performance of individual Directors including the Chairman of the Board, who are evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and of its minority shareholders, etc.

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

The Directors expressed their satisfaction with the evaluation process.

Appraisal of Board's performance

It includes setting individual and collective roles and responsibilities of its Directors, creating awareness among Directors about their expected level of performance and thereby improving the effectiveness of the Board.

Board evaluation contributes significantly to improved performance and aims at,

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

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

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

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

Statutory Auditors

M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. AAC-2085) were appointed as the Statutory Auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on July 21, 2021, to hold office from the conclusion of the Forty Eighth AGM till the conclusion of the Fifty Third AGM to be held in the year 2026.

Internal Auditors

The Internal Auditors M/s. M.S. Krishnaswamy & Co, Chartered Accountants, have played an important role in strengthening the internal controls within the Company.

Cost Auditors

M/s GSVK & Co., Cost Accountants, were 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 2021-22. The Cost Audit Report was filed with the MCA, Government of India, by the Company on August 07, 2021, well before September 30, 2021, the due date of filing for the Financial Year 2020-21.

Secretarial Audit

The Board appointed M/s. R.M. Mimani & Associates LLP, Company Secretaries, to conduct Secretarial Audit for the Financial Year 2021-22. The Secretarial Audit Report for the Financial Year ended March 31, 2022 is attached to this Report. The Secretarial Audit Report does not contain any qualifications, or reservations or adverse remarks.

Web link of Annual Return

Pursuant to the provisions of section 92(3) and Section 134 (3) (a) of the Companies Act, 2013 a copy of the Annual Return of the Company for the year ended March 31, 2022 will be placed on the website of the Company at **http://www.thirumalaichemicals.com.**

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) **159**: **1**
2. Mrs. Ramya Bharathram (Managing Director and CFO*) **104: 1**
3. Mr. P. Mohana Chandran Nair (Whole-time Director) **17: 1**

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

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

Mr. R. Parthasarathy – (Managing Director): **29%**

Mr. T. Rajagopalan – (Company Secretary): **18%**

*Mrs. Ramya Bharathram – Managing Director, was appointed as the Chief Financial Officer of the Company on July 24, 2018. No additional remuneration was paid to her for functioning as the CFO.

c) The percentage increase in the median remuneration of employees in the Financial Year: **NIL %**

The number of permanent employees on the rolls of the Company: **523**

d) The explanation on the relationship between average increase in remuneration and Company performance:

e) The Company's PAT has increased from ₹ **11,762** Lakhs to ₹ **15,231 Lakhs**, an increase of **29%** against which the average increase in remuneration is **40%;**

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

Name	Designation	Remuneration ₹ In Lakhs	% Increase in Remuneration	PAT ₹ in Lakhs	% increase in PAT
Mr. R. Parthasarathy	Managing Director	619	29	15,231	29%
Mrs. Ramya Bharathram	Managing Director and CFO	408	70		
Mr. T.Rajagopalan	Company Secretary	40	18		

* It consists of Salary/Allowances & Benefits.

The remuneration of the Managing Director Mr. R. Parthasarathy includes the commission of ₹ **374 Lakhs**, which works out to approximately **2.46%** to the net profit for the Financial Year ended March 31, 2022.

As per the Compensation Policy, the compensation of the key managerial personnel is based on various parameters including Internal Benchmarks, External Benchmarks, and the 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 the previous Financial Year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Date	Issued Capital (No. of Shares)	Closing Market Price per share ₹	EPS in ₹	PE Ratio	Market Capitalization (₹ in Lakhs)
31.03.2021	102,388,120	86	11.49	7.44	87,542
31.03.2022	102,388,120	266.00	14.88	17.88	2,72,352
Increase /(Decrease)	NA	181	3	10	1,84,811
% of Increase/(Decrease)	NA	211	29	140	211
Issue Price of the share at the last Public Offer (IPO)		1			
Increase in market price as on 31.03.2022 as compared to Issue Price of IPO		265			
Increase in %		26,400			

h) Average percentile increase already made in the salaries of Employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the Managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration is **27%** for Employees other than Managerial Personnel & **16%** for Managerial Personnel (KMP and Senior Management)

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

Except Mr. R. Parthasarathy (Managing Director), Mrs. Ramya Bharathram (Managing Director) and Mr. P. Mohana Chandran Nair, (Whole-time Director), no Directors have been paid any remuneration, as only sitting fees have been paid to them. The said Directors have not been paid any variable remuneration. The Directors are eligible for a commission on Net Profits as per the provision of sec.197 of the Companies Act, 2013.

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

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

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

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

Cautionary Statement

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

Acknowledgements

The Directors would like to place on record our sincere appreciation for the continued support given by the Banks, Statutory Auditors, Cost Auditors, Internal Auditors, Government Authorities, Customers, Vendors, Shareholders and Depositors during the period under review.

The Directors also appreciate and value the contributions made by the employees of our Company at all levels.

For and on behalf of the Board of Directors

R. Parthasarathy	**R. Ravi Shankar**
Managing Director	Director
(DIN:00092172)	(DIN:01224361)
Place: Ranipet	Place: Chennai
Date: 26th May, 2022	Date: 26th May, 2022

ANNEXURE TO DIRECTORS' REPORT

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ In Lakhs)

Company	Currency	Conversion rate	Capital	Reserve	Total Liability	Investment	Turnover	PBT	PAT	Proposed Dividend
Cheminvest Pte. Ltd	USD	75.81	4549	-53	1525	5989	-	-105.10	-105.10	-
Optimistic Organic Sdn Bhd	USD	75.81	9638	21148	21,032	-	61,624	18033	13665	-
Lapiz Europe Ltd	GBP	99.55	0.10	33	6.19	-	1.03	-2.20	-2.20	-
TCL Global BV	Euro	84.66	13964	257	2387	13912	7737	278	231	-
TCL INC	USD	75.81	14594	-	-	14578	-	-	-	-
TCL Specialties LLC	USD	75.81	14578	-	5.5	-	-	-0.34	-0.34	-
TCL Intermediates Private Limited	RS	-	2650	-117	167.86	-	-	-116.80	-116.80	-

ANNEXURE A

Reporting of Corporate Social Responsibility (CSR)

1. Period for which CSR is being reported: **From 01/04/2021 to 31/03/2022.**
2. Brief outline on CSR Policy of the Company: The areas of principal support of the CSR Policy are towards Education, Health, Women Empowerment and Community Development Services. The full policy is available in the Company's website http://www.thirumalaichemicals.com.
3. Composition of CSR Committee:

Sr. No.	Name of member	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Arun Ramanathan	Independent Director & Chairman	3	3
2.	Mrs. Bhama Krishnamurthy	Independent Director	3	3
3.	Mr. R. Sampath	Director (Promoter)	3	3
4.	#Mr. N. Subramanian	Independent Director	1	1

#Retired on 05.08.2021

4. Composition of CSR Committee- http://www.thirumalaichemicals.com/cop.html

   CSR Policy - http://www.thirumalaichemicals.com/Policies.html

   CSR projects: - http://www.thirumalaichemicals.com/pdf/CSR%20Projects_TCT_2021-22.pdf
5. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).: Not Applicable
6. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakhs)	Amount required to be set- off for the financial year, if any (₹ in Lakhs)
1	2020-21	0	0
	TOTAL		

7. Average net profit of the Company as per section 135(5): ₹ 12,532 Lakhs
8. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 251 Lakhs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

   (c) Amount required to be set off for the financial year, if any: NIL

   (d) Total CSR obligation for the financial year (8a+8b- 8c): ₹ 251 Lakhs

9. (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial Year. (in ₹)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
251	NIL	-	-	NIL	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes / No)	(5) Location of the project.		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation Direct (Yes/ No).	(11) Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.							NIL	NIL				
	TOTAL						NIL	NIL				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (in ₹).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Programme for early Detection, Monitoring and Control of Non-Communicable Diseases (NCD) in the Community	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	1,20,00,000	NO	Thirumalai Charity Trust Ranipet District	CSR 00000287
2.	Purchase, Installation & Commissioning of 32-Slice CT scan for the hospital	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	1,01,00,000	NO	Thirumalai Charity Trust Ranipet District	CSR 00000287
3.	New Medical Oxygen Generator installed in a major Government Hospital in Chennai through the TCT.	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	10,00,000	NO	Thirumalai Charity Trust Ranipet District	CSR 00000287
4.	Surgeries of the children with congenital heart disease.	Promoting healthcare including preventive health care	YES	Karnataka	Bangalore	10,00,000	NO	Sri Sathya Sai Sanjeevani Centers for Child Heart Care	CSR 00001048
5.	New Medical Oxygen Generator for the Covid patients	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	10,00,000	NO	CMC Hospital, Vellore	CSR 00001924
	TOTAL					2,51,00,000			

(d) Amount spent in Administrative Overheads – **NIL**

(e) Amount spent on Impact Assessment, if applicable – **NA**

(f) Total amount spent for the Financial Year(9b+9c+9d+9e) – **₹ 251 Lakhs**

(g) Excess amount for set off, if any – **NIL**

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per section 135(5)	251
(ii)	Total amount spent for the Financial Year	251
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

10. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-2019	NA	2,08,00,000	NA	NA	NA	NA
2.	2019-2020	NA	2,90,00,000	NA	NA	NA	NA
3.	2020-2021	Nil	2,84,00,000	Nil	Nil	Nil	Nil
	TOTAL		**7,82,00,000**				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project- Completed /Ongoing.
					NIL			

11. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a)	(b)	(c)	(d)
Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
14/08/2021	1,83,750	Thirumalai Mission Hospital [A unit of Thirumalai Charity Trust] Vanapadi Road & Post, Ranipet, Tamilnadu, India.	Dell Computer - Physician Desktop
10/02/2022	24,826		Swing 2 Seater - Sipcot Center
10/02/2022	57,308		TwinSlide Junior Without Arch - Sipcot Center
25/03/2022	1,01,00,000		CT Scan - TMH Health Centre Muthukadai
Total	**1,03,65,884**		

12. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). – Not Applicable

Sd/-
Arun Ramanathan
Director
(DIN: 00308848)

Sd/-
R. Sampath
Director
(DIN:00092144)

Annexure B

Statement of particulars under section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2022 and forming part of the Directors' Report.

Sr. No	Name $	Designation	Qualification(s)	Age	Date of Commencement of Employment	Total Experience	Nature of Employment Whether Contractual or Otherwise	Nature of Duties of The Employee	Gross Remuneration ₹ in Crores	Previous Employment / Designation
1.	Mr. C. G. Sethuram	Group Chief Executive Officer	B.Tech., (Chemical Engineering), PGDM (IIMA)	67 Yrs	12th August 2013	40 years	Contractual	General Management	3.06	ED (emerging business, Archean Group)
2.	Mr. Sanjay Sinha	Chief Executive Officer	B.Tech (Chemical Engineering)	59 Yrs	18th January 2021	36 Years	Contractual	General Management	1.96	Sector Head-Aromatics, Reliance Industries Limited
3.	Mr.Vijay Seth	Vice President (Projects)	MBA, IIT, Mumbai	69 Yrs	28th February 2018	40+ years	Contractual	General Management	0.99	Sr.Vice President Reliance Industries Ltd
4.	Mr. S. Venkatraghavan	Executive Vice President	M.Sc, M.Tech , MBA	56 Yrs	14th July 2014	29 years	Contractual	General management	0.89	Executive Vice President – Sales & Marketing Cabot Sanmar Ltd.
5.	Mr.V. Thirumalaisamy	Executive Vice President (Project & Engineering)	B.Tech – Chemical engineering	54 Yrs	24th Oct 2016	32 years	Contractual	Technology & Engineering management.	0.80	Technip France-Abudhabi, Foster wheeler Enegy limited, Tirumala chemicals limited, Tanfac industries.
6.	Mr. Harshit Kapoor	Executive Vice President	BE Chemical, Management Education Program (MEP) - IIM Ahmedabad	38 Yrs	4th Mar 2021	17 years	Contractual	Project In charge	0.74	Luna Chemicals, Deepak Phenolics Limited, Larsen & Toubro Hydrocarbon Limited (LTHE)
7.	Ms. J. Radha	Executive Vice President, Finance	B.Com, CA, ' CS (Inter)	55 Yrs	28th November 2019	28 years	Contractual	General Management	0.69	Rane (Madras) Ltd., Chennai – Vice President – Finance and Chief Financial Officer
8.	Mr. Santosh Thomas Mathan	Exe Vice President	BE (Chem), 'MBA (Mktg	56 Yrs	16th January 2015	31 years	Contractual	Global Head Sales	0.62	General Manager – Sales EICL limited
9.	Mr. S. Varadharajan	Assistant Vice President, Corporate	B.Com, PGPMS (marketing)	50 Yrs	30th April 2010	12 Years	Contractual	Marketing food chemicals	0.46	NA
10.	Mr. T. Rajagopalan	Executive Vice President	BSc, FCS, FCMA.	62 Yrs	27th April 2012	40 years	Contractual	Company Secretary	0.40	OTC Exchange of India CS&CFO

$ No shares are held by them and are not relatives of any Director or Manager or KMP except Mr. Vijay Seth who holds 1000 Equity Shares of the Company.

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.

I. CONSERVATION OF ENERGY:

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

	Fuel Consumption	Units	Year Ending 2021 – 2022	Year Ending 2020 – 2021
1	**Electricity**			
	a) Purchased Units	KWHR	43,65,927	16,73,550
	Total Amount Paid	₹	4,33,14,132	1,89,34,029
	Rate per Unit	₹	9.92	11.31
	b) Own Generation	KWHR	46,21,607	10,00,788
	Unit / Ltr of HSD	KWHR/LTR	3.07	2.81
	Cost per Unit	₹	29.27	23.34
2	**Coal: Not consumed in the process**	KWHR	Nil	Nil
3	**Furnace Oil**			
	Total Quantity	KL	5,596	4,514
	Total Amount	₹	24,96,42,951	13,38,41,499
	Average Rate	₹	44,614	29,651
4	**Other Internal Generations**	KWHR	3,39,91,359	2,76,16,491
5	**Consumption Per Tonne of Production**			
	Electricity	KWHR	27.08	13.59
	Furnace Oil	Ltr	34.70	36.64
	Others (Diesel)	Ltr	9.34	2.89

II. Technology Absorption, Adaptation and Innovation.

Research and Development

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

4) Research and Development Expenditure

	Particulars	2021-22	2020-21
a)	Capital	₹ NIL	₹ NIL
b)	Recurring	₹ 264 Lakhs	₹ 290 Lakhs
c)	Total	₹ 264 Lakhs	₹ 290 Lakhs
	Total R&D expenditure as a % of sales	0.18%	0.34%

5) Technology Absorption, Adaptation and Innovation:

a. Efforts in brief towards absorption, adaptation and innovation. The technologies required for better products applications and better quality have been adapted and are being developed / improved indigenously.

b. Benefits derived as a result of the above efforts.

c. Improvement in the quality of the products, increase productivity and reduced cost of production in all products.

d. Particulars of Technology imported during the last 5 Years: None.

e. Techno-commercial studies of fine chemicals

f. Food acidulants- awareness to customers, technical services to users of our products.

III. Foreign Exchange Earning and Outgo

	2021-22	2020-21
Export earnings	₹ 15,791 Lakhs	₹ 6,630 Lakhs
Outgo	₹ 4,968 Lakhs	₹ 2,520 Lakhs

For **and on behalf of the Board of Directors**

R. Parthasarathy
Managing Director
(DIN :00092172)
Place : Ranipet
Date : 26th May, 2022

R. Ravi Shankar
Director
(DIN:01224361)
Place : Chennai
Place : 26th May, 2022

Annexure D

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY			
1.	Corporate Identity Number (CIN) of the Company	:	L24100MH1972PLC016149
2.	Name of the Company	:	Thirumalai Chemicals Limited
3.	Registered Address	:	Thirumalai House, Road No.29, Sion-East, Mumbai-400 022
4.	Website	:	www.thirumalaichemicals.com
5.	E-mail id	:	thirumalai@thirumalaichemicals.com
6.	Financial Year reported	:	2021-2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	20119
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	1. Phthalic Anhydride (PA) 2. Food ingredients and fine products 3. Fine and personal care ingredients. (Please refer to Company's website for complete list of its products)
9.	Total number of locations where business activity is undertaken by the Company:	:	
	Number of International Locations –	:	TCL has overseas subsidiaries in Malaysia, Singapore, the USA, the Netherlands & the UK.
	Number of National Locations	:	TCL has its: i. Registered office in Mumbai ii. Factories at Ranipet, Ranipet District, Tamilnadu and Dahej, Gujarat iii. Tank Farms at Walaja, Ranipet District, and Royapuram, Chennai, Tamil Nadu. iv. Marketing offices at Chennai & Delhi
10.	Markets served by the Company – Local/State/ National/International:	:	Over the past four decades, TCL has expanded to 15 products that are exported to over 34 countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY		
1.	Paid up Capital (INR):	10,24,10,620
2.	Total Turnover (INR):	14,38,09,05,362
3.	Total profit after taxes (INR):	1,52,31,00,318
4.	Total Spending on Corporate Social Responsibility (CSR) as percent of average net profit of the Company as per section 135(5):	2%
5.	List of activities in which expenditure in 4 above has been incurred:-	**a. Healthcare**

SECTION C: OTHER DETAILS		
1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has 6 subsidiaries abroad as on 31.03.2022 and one Indian Subsidiary.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	No.

3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The suppliers and vendors are provided awareness on environmental and social issues. The Company also communicates its business responsibility policies and approaches to the concerned stakeholders from time to time. The vendor meets are used as a platform to raise awareness on health & safety, environmental and community initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

Name	Mrs. Ramya Bharathram
DIN No.	06367352
Designation	Managing Director
e-mail id	mail@thirumalaichemicals.com

b. Details of the BR head

Name	Mr. C. G. Sethuram
DIN No.	Not Applicable
Designation	Group Chief Executive Officer
Telephone	+91-4172-244441/6/8
e-mail id	sethuram.cg@thirumalaichemicals.com

c. Principle-wise (as per NVGs) BR Policy/policies:

i. Details of compliance (Reply in Y/N): Y

No.	Questions	Business Ethics	Product Responsibility	Well-being of employee	Stakeholders Engagement	Human Rights	Environment	Policy Advocacy	CSR	Customer relations
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies of the Company are in compliance with national /international standards wherever applicable. TCL is a FSSC 22000 (equivalent to GFSI), HACCP, Halal & Kosher Certified, ISO 9001, ISO 9004, ISO 14001 & ISO 50001 compliant, and a Responsible Care Company.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Mandatory policies viz., The Code of Conduct and Ethics, Policy on Vigil Mechanism, CSR Policy, Code of Conduct for Prevention of Insider Trading etc. have been adopted by the board and other operational internal policies are approved by the management.								

5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y Y Y Y Y Y Y Y Y The implementation and adherence to the code of conduct for employees is administered by the HR/Personnel Department. The CSR policy is administered by CSR Committee in line with the requirements of the Companies Act, 2013. The CEO and Senior Management review the BR performances of the Company through their monthly review meetings and report the same to the Board every Quarter.
6	Indicate the link for the policy to be viewed online?	Mandatory policies are available on the Company's website at the following link http://www.thirumalaichemicals.com/Policies.html
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The internal policies have been communicated to all stakeholders and the same are available on the Company's intranet.
8	Does the Company have in-house structure to implement the policy/ policies?	The Company has established in-house structures to implement these policies.
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Stakeholders can report any grievance against the Company at the Company's email ID and the same will be addressed by the Management of the Company.
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The implementation of the Company's Code of Conduct and other policies are reviewed through internal audit function. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of certification process and continuous assessments.

ii. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – **N.A**

d. Governance related to BR

i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The CEO and Senior Management review the BR performances of the Company through their monthly review meetings and report the same to the Board every Quarter.

ii. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Sustainability Report and BR report is available as part of the Annual Report.

Link to View the report: www.thirumalaichemicals.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes. It extends to the entire group. The Company acts with integrity in accordance with its core principles of Trust, Value and Service. TCL has adopted a separate Code of Conduct and Ethics which specifically pertains to the Company's Directors and the senior management personnel one level below the Board, including all the functional heads. The Code of Conduct and Ethics is devised to enable the Directors and the senior management personnel to strive to perform their duties with highest standards of integrity, accountability, confidentiality and independence. A declaration of the Directors and the senior management personnel towards annual affirmation to the Code of Conduct and Ethics is communicated to all stakeholders by the Chairman and Managing Director, through the Annual Report.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the period under review, the Company has not received any complaints regarding, violation of the Code of Conduct.

Principle 2: Product Life Cycle Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

a. Phthalic Anhydride (PA)

b. Food ingredients

c. Fine and personal care ingredients

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Our manufacturing process is one of the most efficient in the industry. Our Specific Energy (power and heat) consumption in the last three decades has reduced by 78%. This is largely as a result of two initiatives: benchmarking and improving the efficiencies of all power and heat consuming equipment in manufacture; and recovering waste heat from every possible source, converting it into steam and power and recycling these.

TCL has a three-pronged energy savings approach. We recover energy from waste heat, we use energy efficiently, and we encourage innovation by employees. 95% of our total power requirements are met from waste heat and steam. We have modified the exothermic process in our plants to extract energy and heat to use in our operations, thus making our energy footprint near zero. We have also discovered ways to create value from the byproducts produced. We have also implemented over 1,000 small energy saving measures, such as replacing old equipment, installing efficient technology, and ensuring maintenance of the plant is regularly monitored.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

TCL has a dedicated Research & Development Team that is focusing on creating innovative products for its customers that meet global standards and are environmentally sustainable, reflecting its commitment to environmental sustainability.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company endeavors to embed the principles of sustainability, as far as practicable, into the various stages of product life-cycle, including procurement of raw material / service, manufacturing of product or delivery of service, transportation of raw materials and finished goods, and disposal by consumers. Responsible Care Guidelines and Sedex Members Ethical Trade Audit (SMETA) Best Practice Guidance have been adopted by the Company to ensure for sustainable sourcing. Company sources its raw material in bulk, thereby avoiding road transportation over long distances which reduces the carbon footprint.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, TCL provides support to local vendors by purchasing equipment and spares and supports them in upskilling by helping them develop fabrication drawings and guiding them on the right fabrication methodology.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Yes. TCL reuses the packaging material by collecting empty bags from customers thereby reducing the use of plastic.

Principle 3: Employee Wellbeing

<table>
<tr><td>1.</td><td>Total number of employees.</td><td>523</td></tr>
<tr><td>2.</td><td>Total number of employees hired on temporary/ contractual/casual basis.</td><td>300</td></tr>
<tr><td>3.</td><td>Number of permanent women employees.</td><td>30</td></tr>
<tr><td>4.</td><td>Number of permanent employees with disabilities</td><td>NIL</td></tr>
<tr><td>5.</td><td>Employee association that is recognized by management?</td><td>5 Men works committee</td></tr>
<tr><td>6.</td><td>Percentage of permanent employees who are members of this recognised employee association?</td><td>6.35%</td></tr>
<tr><td>7.</td><td>Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.</td><td>
<table>
<tr><th>No.</th><th>Category</th><th>No of complaints filed during the financial year</th><th>No of complaints pending as on end of the financial year</th></tr>
<tr><td>1</td><td>Child labour/forced labour/involuntary labour</td><td>NIL</td><td>NIL</td></tr>
<tr><td>2</td><td>Sexual harassment</td><td>NIL</td><td>NIL</td></tr>
<tr><td>3</td><td>Discriminatory employment</td><td>NIL</td><td>NIL</td></tr>
</table>
</td></tr>
<tr><td>8.</td><td>What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?
a. Permanent Employees
b. Permanent Women Employees
c. Casual/Temporary/Contractual Employees
d. Employees with Disabilities</td><td>

100%
100%
100% (Safety Training)
N/A</td></tr>
</table>

Principle 4: Stakeholder Engagement

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes. The Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, government, regulatory authorities, trade union and local community. The Company follows a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholder information remains current and updated.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, The Company works alongside the Thirumalai Charity Trust (since 1973), The Akshaya Vidhya Trust (Since 1994) and the Thirumalai Mission Hospital (Since 2010) in their health, education, and community development programs. These programs help in identifying marginalized and disadvantaged groups through need assessment in all the villages where they operate by engaging with the local communities. Such marginalized and disadvantaged communities includes villagers and economically deprived children and women who are in great need of care and protection.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

As mentioned above the Company continues to work alongside various charitable organizations to fulfill its corporate social responsibility. These Organizations provide affordable and quality healthcare and education in the communities we operate in. The Corporate Social Report describes these initiatives in further detail.

In addition to the above, the training and development programmes of the Company for young persons from rural communities and towns, started 30 years ago, have been well recognized. A majority of the employees of the Company at all levels, including in R&D and Management, joined the Company as young trainees. This programme is now being further extended to training local youth to become good craftsmen and technicians in an effort to generate more employment in these communities. We plan to extend these to our new site in Gujarat.

Principle 5: Human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The Company policies support, respect and protect the human rights of its direct as well as indirect Stakeholders. Human rights cover a host of aspects including non-discrimination, gender equality, freedom of association, collective bargaining, avoidance of child and forced labour among others. The Company is compliant with national regulations pertaining to human rights.

   TCL has put in place a Code of Conduct which is applicable to all the employees to adhere and uphold the standards contained therein.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   During the year under review, TCL has not received any complaint from any stakeholders.

Principle 6: Environmental

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   TCL is a FSSC 22000 (equivalent to GFSI), HACCP, Halal & Kosher Certified, ISO 9001, ISO 14001 & ISO 50001 compliant, and a Responsible Care Company. TCL is promoting the certification of all its key stakeholders- suppliers, dealers and contractors.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   As per our EQHS Policy, we commit ourselves to operate our Plants and facilities with the utmost care to minimize our impact on the Environment and on the Health and Safety of our employees, the community and our customers.

   We have committed to combat climate change by improving energy efficiency and use of renewable energy. The strategies, the activities carried out and the results achieved are explained on the Company's website at http://www.thirumalaichemicals.com/environment.html

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes. TCL is certified under ISO 14001: 2015 standards and has laid down procedure for Risk identification, assessment and mitigation.

   TCL has an excellent safety culture and a robust reporting system built on involvement at all levels. We encourage self-audits and ask employees to report failures immediately. A safety park was built onsite in 2012 to demonstrate many of our onsite safety features. The risk management measures of the Company are also reviewed by the Risk Management Committee of the Board.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Our emissions are fully treated and clean. They are continuously monitored and reported to the state regulator and the public in real time. Our dramatic reductions in energy and input-use have resulted in exceptional air emission performance.

   We have reduced our carbon dioxide emissions by reducing our need for energy in our production process and transportation. For example, by using steam to raise the temperatures in the production process, we have reduced the need for furnace oil, a petroleum product.

   TCL was one of the earliest RCC signatories in India, and one of the few to be audited and certified. In 2008 the Indian Chemical Council recognized us as 'Best Responsible Care Committed Company' in India.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page s etc.**

   Yes. http://www.thirumalaichemicals.com/environment.html

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the emissions are within the permissible limits given by the relevant SPCB

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   Nil

Principle 7: Policy Advocacy

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   a. Indian Chemical Council (ICC).
   b. Confederation of Indian Industry (CII)
   c. Chemical & Petrochemicals manufacturer Association (CPMA)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):**

   Yes, the Company has advocated through the above associations:
   Indian Chemical Council – Economic Reforms, Water and Sustainable Business Principles
   CII – Governance & Administration, Economic Reforms, Energy Security, Water, Sustainable Business Principles

Principle 8: Inclusive Growth

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**

   TCL works alongside the Thirumalai Charity Trust (since 1973), the Akshaya Vidhya Trust (since 1994), and the Thirumalai Mission Hospital (since 2010), Charitable organizations which provide affordable and quality healthcare and education in the communities we operate in. The CSR Committee recommended continuing support for the Thirumalai Charity Trust's Health and Rural development projects and for the Akshaya Vidya Trust's Educational programmes in lines with the CSR policy of the Company.

   The areas of principal support of the CSR Policy are towards Education, Health, Women Empowerment and Community development services. The full policy is available in the Company's website http://www.thirumalaichemicals.com.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The Founders of TCL actively supported Health and Educational Institutions in Bombay and Madras (now called Mumbai and Chennai) from the early Sixties; they were active in building, managing and growing the SIWS (South India Welfare Society) Schools and Colleges, which in its early days focused mainly on weaker sections of the community. They set up the Thirumalai Charity Trust (TCT) in 1970, to channel and manage these philanthropic activities in an organised and professional manner. From 1976 when it started business, TCL has been supporting these activities and ensuring effective delivery through the professional social service organisation of the TCT, with a special emphasis on activities in North Arcot District, now called the Ranipet District.

   By 1994 when the need for good Schools became critical to serve the professional and the rural communities here, including our employees, the TCT with our assistance, set up the Akshaya Vidya Trust (AVT) as a daughter trust to focus on education: the AVT now has 3 excellent schools serving over 2600 children, and over 70% of the children are from rural families.

3. **Have you done any impact assessment of your initiative?**

   Yes. We believe that every activity should result in some impact. We have measurable parameters for all our activities in all the focus areas viz., Education, Health, Women Empowerment, Community development services. The CSR committee of the Company recommends spending on the approved CSR activities and monitors the spending and performance of such activities.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   The Corporate Social Report describes these initiatives supported by the Company in detail.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. TCL enables communities to take ownership of the development effort. For this their participation is essential. They participate both physically and financially. TCL involves the community in all its efforts and make people reaching the desirable levels of economic development, health, education and environment. By making them reach the desirable development status, the community is confident and is ready to take the responsibility of continuing with their effort.

Principle 9: Customer value

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Nil.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

   Yes.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Yes.

For and on behalf of the Board of Directors

R. Parthasarathy
(DIN :00092172)
Managing Director

Place : Ranipet
Place : 26th May, 2022

Corporate Governance Report 2021-2022

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

THE Company'S PHILOSOPHY ON CORPORATE GOVERNANCE

The policies and practices of your Company have always been ethical, compliant with laws and regulations and sustainable. We believe that it is possible to follow all those policies and also be competitive. Your Company also recognises the importance of these for growth and presence in various geographies, interacting with stakeholders from different countries.

We as a team have a responsibility to be fair and transparent in our interactions with employees, customers, suppliers, partners, shareholders and with the communities we live and operate in.

Compliance with progressive social norms and with regulatory requirements is the necessary cost for doing business and essential for our sustainability. These are our values and we constantly work with our employees so that the individuals and teams in the Company internalize them and work within this framework.

This has given us a good reputation as an employer, business partner and a member of the community. The Board of the Company and the Management team remain committed to this culture of integrity and transparency in the conduct of our business.

BOARD OF DIRECTORS

Your Company's Board of Directors ("Board") decides the policies and strategy of the Company and has the overall superintendence and control over the management of the Company. The Board and its committees review implementation of these, and assist the executive management team as needed. They also ensure that good governance and risk management policies and practices, and efficient business processes are implemented rigorously. In the course of discharging their duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. The Board is ever conscious of its responsibility as a Trustee of the shareholder's interests.

a. Board Composition:

1) The Board of Directors of your Company presently comprises of a Chairman & Managing Director, another Managing Director, an Executive Director and seven Non-Executive Directors.

2) All Directors other than Mr. R. Sampath, Mrs. Ramya Bharathram, Mr. R. Parthasarathy and Mr. P. Mohana Chandran Nair are Independent Directors. Mr. R. Sampath is the brother of Mr. R. Parthasarathy (CMD) and the father of Mrs. Ramya Bharathram (MD).

b. Matrix setting out skills of Board of Directors:

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board are summarized below. The lack of a mark does not mean the director does not possess that qualification or skill; rather a mark indicates a specific area of focus or expertise on which the Board relies most heavily.

*Name of Board Members	Years of Experience	Core Skill/ expertise identified by the Board as required for the Company.																		
		Technical skills - Chemical Industry	Business operations and Mgmt.	Quality & Performance Mgmt.	Reach & Development	Project Mgmt.	Risk Management	Strategic Planning	Board & Governance	Global business	Sales and marketing	Finance, Accounting, Audit	Corporate Laws and Compliances	Mergers & acquisitions	Safety Mgmt	Stakeholder Engagement	Continuous learning	Government & Gov Relations	Ethics	Human Resources Mgmt & Labour Relations
		Skill/ expertise/ competencies possessed by the Directors of the Company.																		
[1]MR. R. PARTHASARATHY	45+	√	√	√	√	√	√	√	√	√					√		√	√	√	
MR. R. SAMPATH	50+	√	√	√	√	√	√	√	√	√					√		√	√	√	
MR. R. RAVISHANKAR	45+		√				√	√	√	√	√	√	√	√		√	√		√	
MR. RAJ KATARIA	25+		√					√	√	√		√	√	√		√	√		√	√
MR. DHRUV MOONDHRA	15+		√			√	√	√	√	√	√						√		√	
MR. ARUN RAMANATHAN	45+		√			√	√	√	√	√	√	√	√			√	√	√	√	√
[2]MRS. RAMYA BHARATHRAM	25+		√			√	√	√	√	√	√	√	√	√			√		√	√
MR. P. MOHANA CHANDRAN NAIR	35+	√	√	√	√	√	√	√	√	√	√				√		√		√	
MR. RAJEEV PANDIA	45+	√	√	√	√	√	√	√	√	√	√				√		√	√	√	
MRS. BHAMA KRISHNAMURTHY	40+		√			√	√	√	√	√		√	√	√		√	√	√	√	

[1] Chairman & Managing Director

[2] Managing Director

* As per the provisions of Companies Act, 2013 the Independent Directors of the Company have registered themselves on Independent Director database and have been exempted from the proficiency self-assessment test conducted by the Indian institute of Corporate Affairs.

c. Confirmation from the Board of Directors as per Schedule V Part C (2) (i):

Pursuant to the provisions of the SEBI (Listing Obligation and Disclosure Requirements) read with Schedule V Part C (2) (i) the Board of Directors of the Company hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified under Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are independent of the management.

d. Certificate from the Practicing Company Secretary as per Schedule V Part C (10) (i):

A certificate from a Company Secretary in practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority has been obtained by the Company.

e. Board Meetings:

The Board meets regularly at quarterly intervals and holds additional meetings as and when appropriate and needed. Seven meetings of the Board of Directors were held during FY 2021–22 on **15th April, 2021, 11th May, 2021, 14th May, 2021, 26th May, 2021, 20th July, 2021, 02nd November, 2021 and 28th January, 2022.** All operational and statutorily required information was placed before and significant events reported to the Board.

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

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

f. Directors Attendance Record and Directorships held:

The details of attendance of each Director at the seven Board meetings held during the financial year 2021-2022, at the last AGM and other particulars of Directorships are given below:-

Name of the Director	Attendance at		No. of Directorships in Other Companies	Name of the other Companies in which Directorship is held	Category	Board Sub-Committees (Audit Committee and Stakeholders Relationship Committee)	
	BODM	Last AGM				Membership	Chairmanship
Mr. R. Parthasarathy[1]	7	Yes	2	**Listed:**		-	-
				-	-		
				Others:			
				1. Jasmine Limited	Non-Executive		
				2. N. R. Swamy Investments Private Limited	Non-Executive		
Mr. N. Subramanian[2]	5	Yes	1	**Listed:**		-	-
				-	-		
				Others:			
				1. Endeka Ceramics India Private Limited	Non –Executive		
Mr. Raj Kataria	7	Yes	3	**Listed**:		3	-
				1. KEMP and Company limited	Independent		
				Others:			
				1. Mumtaz Hotels Limited	Independent		
				2. Arpwood Capital Private Limited	Executive		
Mr. R. Ravi Shankar	7	Yes	1	**Listed**		1	1
				-	-		
				Others:			
				1. Acsys Investments Private Limited	Non –Executive		
Mr.Dhruv Moondhra	7	Yes	4	**Listed**		-	-
				1. TTK Prestige Limited	Independent		
				Others:			
				1. Ice Steel 1 Private Limited	Executive		
				2. Steel Mart India Private Limited	Executive		
				3. Steel Endeavours Private Limited	Executive		
Mr. R. Sampath	6	Yes	2	**Listed**		2	-
				1. Ultramarine & Pigments Limited	Non-Executive		
				Others:			
				1. Ultramarine Specialty Chemicals Limited	Non-Executive		
Mrs.Ramya Bharathram[3]	7	Yes	2	**Listed**		-	-
				-	-		
				Others:			
				1. Jasmine Limited	Non-Executive		
				2. N. R. Swamy Investments Private Limited	Non-Executive		
Mr. P. Mohana Chandran Nair	7	Yes	1	**Listed**		-	-
				-	-		
				Others:			
				TCL Intermediates Private Limited	Non-Executive		
Mr.Arun Ramanathan	7	Yes	2	**Listed:**		3	2
				1. Equitas Holdings Limited	Independent		
				Others:			
				1. Equitas Small Finance Bank Limited	Independent		

Name of the Director	Attendance at BODM	Attendance at Last AGM	No. of Directorships in Other Companies	Name of the other Companies in which Directorship is held	Category	Board Sub-Committees (Audit Committee and Stakeholders Relationship Committee) Membership	Board Sub-Committees (Audit Committee and Stakeholders Relationship Committee) Chairmanship
Mr. Rajeev Pandia	7	Yes	6	**Listed**		6	4
				1. GRP Limited	Independent		
				2. The Supreme Industries Limited	Independent		
				3. Ultramarine & Pigments Limited	Independent		
				4. Excel Industries Limited	Independent		
				5. Supreme Petrochem Limited	Independent		
				Others:			
				1. Deepak Phenolics Limited	Non – Executive		
Mrs. Bhama Krishnamurthy	7	Yes	8	**Listed**		6	1
				1.Reliance Industrial Infrastructure Limited	Independent		
				2.Network18 Media & Investments Limited	Independent		
				3.Cholamandalam Investment and Finance Company Limited	Independent		
				4. CSB Bank Limited	Independent		
				Others:			
				1. Five Star Business Finance Limited	Non – Executive		
				2. Muthoot Microfin Limited	Non – Executive		
				3. e-Eighteen.com Limited	Non – Executive		
				4. Poonawalla Housing Finance Limited	Non – Executive		

[1] Chairman & Managing Director
[2] Retired on 5th August, 2021
[3] Managing Director

g. Remuneration of Directors:

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

Details of remuneration paid to the Managing Directors and the Whole-time Director during the year ended March 31, 2022 are:

Name	Position	Salary ₹	Commission ₹	Contribution to P.F. and other Fund ₹	Perquisites & others (excluding actuarial valuation) ₹	TOTAL
Mr. R. Parthasarathy	Managing Director	2,25,00,000	3,74,00,000	19,50,000	90,730	6,19,40,730
Mrs. Ramya Bharathram	Managing Director	1,32,00,000	2,67,00,000	9,42,000	--	4,08,42,000
Mr. P. Mohana Chandran Nair	Whole-time Director	59,66,700	NIL	7,49,250	--	67,15,950

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

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

Sitting fees paid to the Non-Executive Directors (Financial Year 2021-22)

Name of the Director	Sitting fees paid (₹)
#Mr. N. Subramanian	4,80,000
Mr. Raj Kataria	8,60,000
Mr. R.Ravishankar	10,60,000
Mr. Dhruv Moondhra	7,80,000
Mr. Arun Ramanathan	8,60,000
Mr. R.Sampath	10,20,000
Mr. Rajeev Pandia	8,20,000
Mrs. Bhama Krishnamurthy	8,80,000

#Retired on 5th August, 2021

h. Details of the Shares held by Non-Executive Directors as on March 31, 2022

Name of the Director	No. of Shares held
Mr. R.Sampath	20,000
Mr. Raj Kataria	500
#Mr. N. Subramanian	600
Mr. Rajeev Pandia	2,400

Retired on 5th August, 2021

BOARD COMMITTEES

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

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

Two Third of the Members of each Committee are Independent Directors.

A. AUDIT COMMITTEE:

The Composition of the Audit Committee of the Company meets with the requirements of Section 187 of the Companies Act, 2013 and as required under Reg. 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. R. Ravi Shankar	Independent Director & Chairman	5
2.	Mr. Raj Kataria	Independent Director	5
3.	Mr. Arun Ramanathan	Independent Director	5
4.	Mrs. Bhama Krishnamurthy.	Independent Director	5
5.	Mr. R. Sampath	Director	5

Five meetings of the Audit Committee were held during the year 2021-22 on **14th May, 2021, 25th May, 2021, 19th July, 2021, 01st November, 2021 and 27th January, 2022.**

The Objectives of the Audit Committee are as follows:

- Assisting the Board in its responsibility for overseeing the processes related to the financial accounting, auditing and reporting practices of the Company and its compliances with legal and regulatory requirements, the audits of the Company's financial statements and shall, inter alia, include, the recommendation for appointment, remuneration and terms of appointment of auditors of the Company; review and monitor the auditor's independence and performance, and effectiveness of audit process;

- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties; scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary; evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing the Company's financial reporting process.
- Reviewing the Quarterly and Annual results before it is considered by the Board of Directors, the Group Company transactions, Internal Auditors Report and the Action Taken Report thereon.

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

- Reviewing the :
  - Internal Audit plan of the Company, for inclusion in the Internal Audit reports prepared by the Group Audit and Risk Assurance Department of the Company ("GARA"), reviewing the Audit plans of external Auditors and their remuneration.
  - Performance, Constitution and Terms of Reference of the Audit Committee.
  - Company's programs on Bank Charges / Commitment charges and helped to review the system to streamline and speed up collection of relevant Forms.
  - Plans for Improvement of ERP system.
- Compliance with IND AS Programme
- Implementation of Forex Policy in the Company
- Making recommendation on the re-appointment of the external auditor as and when due

B. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee constitutes of the following members:

Members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr.Arun Ramanathan	Independent Director & Chairman	0
2.	Mr. Raj Kataria	Independent Director	1
3.	Mr. R. Sampath	Director	1

One Meeting of the Stakeholders Relationship Committee was held during the year 2021-22 on **15th July, 2021.**

The Stakeholders Relationship Committee deals with the following matters:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

During FY-21-22, the work carried out by Stakeholders Relationship Committee includes:

- Prompt resolution of all queries/complaints from Shareholders and Investors.
- The process of share transfer was delegated to an R&T and is carried out in compliance with the Listing Regulation which will be confirmed and ratified by the Board at each subsequent meeting.
- It may be noted that that the shareholding in dematerialized mode as on 31st March, 2022 was 98.51 %.

C. BUSINESS REVIEW COMMITTEE:

The Business Review Committee constitutes of the following members:

Members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	# Mr. N. Subramanian	Independent Director	1
2.	Mr. Rajeev Pandia	Independent Director & Chairman	4
3.	Mr. R. Ravi Shankar	Independent Director	4
4.	Mr. Dhruv Moondhra	Independent Director	4
5.	Mr. R. Sampath	Director	4

Retired on 5th August, 2021

Four meetings of the Business Review Committee were conducted during 2021-22 on **04th August, 2021, 26th October, 2021, 25th January, 2022 and 16th February, 2022.**

The objectives of the Business Review Committee are:

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

Besides the above matters, during FY21-22, the Business Review Committee specifically:

- Reviewed and recommended the upgradation of Plants and the Capex involved.
- Reviewed the execution plans of the ongoing projects.
- Reviewed logistics cost initiatives by the Company
- Fixed various Operational and Financial Targets for the Company for the Financial Year 2022-23.

D. NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee constitutes of the following members:

Members:

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

Retired on 5th August, 2021

One meeting of the Nomination & Remuneration Committee were conducted during 2021-22, on **19th May, 2021**.

The function of the Nomination and Remuneration Committee includes:

- Identifications of persons who are qualified to become Directors and who may be appointed to Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and also recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

- Review and make recommendations to the Board a Company's policy and structure for remuneration of Directors and towards establishment of a formal and transparent procedure to determine such remuneration.
- Make recommendations to the Board on the remuneration packages, including benefits in kind, pension rights and compensation payments, of individual Executive Directors.

During FY-21-22, the work carried out by the Nomination and Remuneration Committee was:

- Reviewed the structure of the Board, and the independence of Independent Non-Executive Directors.
- Made recommendations in relation to the re-appointment of the Whole-time Directors, Managing Director and retiring Director.
- Reviewed the remuneration policy & structure for the Directors and the Senior Management.
- Made recommendations to the Board regarding the Directors' fee and other allowances for FY 2022-23
- Determining the remuneration of Senior Management.
- Made recommendation in relation to the remuneration for the Chief Executive Officer & Executive Director.

Criteria for evaluation of performance of Independent Directors and the Board of Directors.

Specific Criteria for evaluation of performance of Independent Directors

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

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee comprises of the following members:

Members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Arun Ramanathan	Independent Director & Chairman	3
2.	# Mr. N. Subramanian	Independent Director	1
3.	Mr. R. Sampath	Director	3
4.	Mrs. Bhama Krishnamurthy	Independent Director	3

Retired on 5th August, 2021

Three meetings of the Corporate Social Responsibility Committee were conducted during 2021-22 on **3rd August, 2021, 23rd September, 2021 and 24th January, 2022.**

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

During FY-22, based on the recommendation of the CSR Committee, your Company made a donation of ₹ 251 Lakhs to CSR activities.

F. RISK MANAGEMENT COMMITTEE:

The **Risk Management Committee** comprises of the following members:

Members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Rajeev M. Pandia	Independent Director & Chairman	3
2.	Mr. Dhruv Moondhra	Independent Director	3
3.	Mrs. Ramya Bharathram	Managing Director	3
4.	Mr. Sanjay Sinha	Chief Executive Officer	3
5.	Mr. B. Krishnamurthy	Executive Vice President Accounts & Systems	3

Three meetings of the Risk Management Committee were conducted during 2021-22 on **03rd August, 2021, 25th October, 2021 and 18th January, 2022.**

The Committee has formulated a Risk Management policy to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business.

G. INVESTMENT, FINANCE AND BANKING COMMITTEE:

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

Members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. R. Ravi Shankar	Independent Director & Chairman	2
3.	Mrs. Ramya Bharathram	Managing Director	2
4.	Mr. Raj Kataria	Independent Director	2
5.	Mr. Arun Ramanathan	Independent Director	1
6.	Mrs. Bhama Krishnamurthy	Independent Director	2

Two meetings of the Investment, Finance and Banking Committee were conducted during 2021-22 on **28th September, 2021 and 15th February, 2022.**

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

Familiarization programmes for Directors

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

Policy on Material Subsidiary

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

Policy on Related Party Transactions

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

Dividend Distribution Policy

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

Criteria of selection of Non-Executive Directors

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 174 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/Whole-time Directors - Criteria for selection / appointment

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

Remuneration for the Managing Director/Whole-time Directors

During the tenure, the Managing Director/Whole-time Directors shall be paid such remuneration as may be mutually agreed between them and the Company within the overall limits prescribed under the Companies Act, 2013.

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

a. the relationship of remuneration and performance benchmarks is clear;

b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

c. responsibility required to be shouldered by the Managing Director/Whole-time Directors, the industry benchmarks and the current trends;

Remuneration Policy for the Senior Management Employees

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

i. the relationship of remuneration and performance benchmark is clear;

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

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

VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

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

No complaint had been registered during 2021-22. No personnel have been denied access to the Committee/Mechanism.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The details have been Disclosed in the Directors Report forming part of the Annual Report.

Statutory Auditor's remuneration:

Disclosure of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, as required by the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is ₹ 46 Lakhs.

GENERAL BODY MEETINGS

The Forty Ninth Annual General Meeting of the Company for the Financial Year 2021-2022 has been scheduled to be held on **Wednesday, 27th July, 2022 at Mysore Association Auditorium, Bhaudaji Road, Matunga-(C.Rly) Mumbai at 2.30 pm.**

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

Financial Year	Date	Time	Location
2020 -2021	21/07/2021	2.30 p.m.	Through Video Conferencing

Special resolution was passed for appointment of Mrs. Ramya Bharathram (DIN 06367352), as Managing Director of the Company from 26.05.2021 for a period of three years.

Financial Year	Date	Time	Location
2019 -2020	07/08/2020	2.30 p.m.	Through Video Conferencing

Special resolution was passed for Re-appointment of Mrs. Ramya Bharathram (DIN 06367352), as a Whole-time Director of the Company from 03.11.2020 for a period of three years.

Financial Year	Date	Time	Location
2018 -2019	25/07/2019	2.30 p.m.	Mysore Association Auditorium, Bhaudaji Road, Matunga –(C.Rly) Mumbai.

Special resolution was passed for:

1. Re-appointment of Mr. R. Parthasarathy as Chairman & Managing Director for a period of three years from August 01, 2019.
2. Continuation of Directorship of Mr. R. Sampath, Non-Executive Director who will attain the age of Seventy-five (75).
3. Re-appointment of Mr. N. Subramanian as an Independent Director for a period of 2 consecutive years.
4. Re-appointment of Mr. R. Ravi Shankar as an Independent Director for a period of 5 consecutive years.
5. Re-appointment of Mr. Raj Kataria as an Independent Director for a period of 5 consecutive years
6. Re-appointment of Mr. Dhruv Moondhra as an Independent Director for a period of 5 consecutive years.

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

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

DISCLOSURES:

The Company's internal Audit was 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 were placed before the Audit Committee, apart from the Statutory Auditors and the Senior Management of the Company.

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

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

There were no case of non-compliances 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 the Board members and the Senior Management of the Company and it is available on the Company's Website.

All the Board members and the Senior Management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2022. The Managing Director has also confirmed and certified the same. The certification is annexed at the end of this Report.

RISK MANAGEMENT:

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

CEO /CFO CERTIFICATION:

Appropriate certification as required under Reg. 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Mr. R. Parthasarathy, Managing Director and Mrs. Ramya Bharathram, Chief Financial Officer have certified to the Board regarding the Financial Statements for the year ended 31st March, 2022.

MEANS OF COMMUNICATION:

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

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

AFFIRMATION:

The provisions of Reg. 18 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable to the Company, are fully complied with. All the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are disclosed in this report.

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

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

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

C. Modified opinion(s) in audit report
   Not applicable since there is no qualification in the audit reports.

D. Separate posts of Chairperson and Chief executive officer
   Same person occupied the position of Chairperson and Managing Director during the financial year.

E. Reporting of internal auditor
   The Internal Auditors directly reported to the Audit Committee.

GENERAL SHAREHOLDERS INFORMATION:

1)	Date, time and venue of 49th AGM	:	27th July, 2022, 2.30 pm at The Mysore Association Auditorium, Mysore Association, 393, Bhaudaji Road, Matunga C-Rly., Mumbai – 400 019
2)	Date of Book Closure	:	July 21, 2022 to July 27, 2022 (both days inclusive)
3)	Listing on Stock Exchanges	:	BSE Ltd. (BSE) and National Stock Exchange Ltd.(NSE)
4)	Listing fees	:	Paid as per the listing agreement.
5)	ISIN No	:	INE 338A01024.
6)	BSE Stock code	:	500412
	NSE Stock code	:	TIRUMALCHM

7) Registered office	:	Thirumalai House, Road No.29, Sion-East, Mumbai-400 022, India Tel: +91-22- 24018841/7861/7853/7869/7834 E-mail- rajagopalan.t@thirumalaichemicals.com
8) Registrar & Share Transfer Agent	:	Link Intime India Pvt Ltd C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060 E-mail- rnt.helpdesk@linkintime.co.in Web site : www.linkintime.co.in
9) Compliance Officer	:	Mr. T. Rajagopalan, Company Secretary Thirumalai Chemicals Limited Thirumalai House, Road No.29, Sion (East), Mumbai- 400 022. India Tel: +91-22-24018841/61/53. Fax: +91-22-24011799. E-mail- rajagopalan.t@thirumalaichemicals.com
10) Share Transfer system	:	The Company's shares are traded in the Stock Exchange which are compulsorily in Demat mode. Shares sent for physical transfer with valid Documents were registered within the prescribed period allowed SEBI.
11) Financial Calendar	:	Annual Result - 26th May, 2022 E-Mailing of Annual Reports - By 1st July, 2022 Results for the Quarter ending: June 30, 2022 - By 14th August, 2022 September 30, 2022 - By 15th Nov, 2022 December 31, 2022 - By 14th Feb, 2023 March 31, 2023 - By 31st May, 2023
12) Dematerializations of shares	:	As on 31/03/2022, 98.51% of the Company's Share Capital representing 10,08,59,353 shares which were held in the dematerialized form.
13) Plant Location	:	i. 25-A, SIPCOT, Ranipet, Ranipet District, Tamil Nadu, India Tel. : +91-4172-244441. Fax: +91-4172-244308. E-Mail: mail@thirumalaichemicals.com ii. Plot No.D-2/CH/171/B, GIDC Estate, Dahej Phase-II, Tal.Vagra, Bharuch, Gujarat 392130, India Cell : +91-98423-99500 / +91-99526-08935 E-mail: mail@thirumalaichemicals.com

14) Categories of Shareholders as on 31.03.2022:

Category	No. of shares	% of shareholding
Promoters, Directors & their Relatives	1,57,60,392	15.39
Group companies	2,72,23,650	26.59
Financial Institutions / Banks/ Mutual Funds/ Foreign Portfolio Investors	13,39,582	1.30
Insurance companies	4,000	0.00
NRIs	27,37,663	2.67
Companies / Bodies corporates	38,92,607	3.80
Central Government/ State Government(s)	7,11,610	0.7
General Public	4,79,50,974	46.83
Clearing members	4,29,027	0.42
LLP	2,32,865	0.23
Trusts	7,880	0.01
HUFs	20,97,870	2.05
TOTAL	**10,23,88,120**	**100.00**

15) Distribution of Shareholding as on 31.03.2022:

No. of shares	No. of shareholders / Folios	% of shareholders	Shareholding	% of shareholding
Up to 500	68,874	82.35	77,12,875	7.53
501 to 1000	6,628	7.92	54,39,155	5.31
1001 to 2000	3,912	4.68	59,27,967	5.79
2001 to 3000	1,364	1.63	35,09,949	3.43
3001 to 4000	643	0.77	23,02,643	2.25
4001 to 5000	592	0.71	28,09,459	2.74
5001 to 10000	881	1.05	65,67,661	6.42
Above 10000	743	0.89	6,81,18,411	66.53
Total	**83,637**	**100.00**	**10,23,88,120**	**100.00**

16) Stock market price data for the year 2021-2022:

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

Indices :	S&P BSE SENSEX	opening	49,868.53	closing	58,568.51
Indices :	NIFTY 50	opening	14,798.40	closing	17,464.75

Month	BSE			NSE		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
April, 2021	102.40	85.60	13,00,545	102.50	85.20	1,45,36,564
May, 2021	143.80	94.30	61,44,555	143.90	94.50	6,34,87,451
June, 2021	149.30	126.65	46,26,538	149.40	126.45	3,27,29,509
July, 2021	200.60	143.10	83,13,950	200.60	143.00	5,52,34,158
August, 2021	214.60	157.30	37,35,971	214.80	157.10	2,96,60,151
September, 2021	309.45	188.60	42,07,244	309.40	188.70	4,64,55,793
October, 2021	357.25	255.00	21,37,036	335.75	254.45	1,55,60,453
November, 2021	288.00	214.00	20,34,388	288.25	213.80	1,60,49,169
December, 2021	244.60	200.00	12,30,361	244.95	200.00	1,14,36,501
January, 2022	274.80	224.40	23,53,303	274.85	224.45	1,72,73,238
February, 2022	278.40	200.55	19,35,105	279.00	200.60	1,29,08,519
March, 2022	277.80	190.10	24,92,209	277.90	190.00	2,06,29,410

For **and on behalf of the Board of Directors**

R. Parthasarathy
Managing Director
(DIN :00092172)
Place : Ranipet
Date : 26th May, 2022

R. Ravi Shankar
Director
(DIN:01224361)
Place : Chennai
Place : 26th May, 2022

DECLARATION BY THE CEO UNDER CLAUSE 34(3) OF THE

SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with under clause 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2022.

For **Thirumalai Chemicals Limited**

R.Parthasarathy
Managing Director
(DIN: 00092172)

Ranipet, 26th May, 2022

SUSTAINABILITY REPORT

Over the last four decades, your company has had a strong focus on the reduction of water & energy consumption and on capturing and synthesizing valuable products from our waste streams, gaseous liquids & solids. We had setup a separate department that monitors these, and works with the operating group on continuous improvement programs.

Our energy consumption per unit production has thus been brought down by over 75% from our specific consumption of 30 years ago. Today over 90% of our energy at our main plant complex at Ranipet is produced from waste heat, i.e., by-product of our processes. This is captured at multiple points and by different methods to produce steam and power that supply most of our operations. So, our total energy including fuel & power purchased has remained flat while we have expanded production from 25,000 T/year & 1 product, to over 150,000 T/year & 6 products. It is our goal to improve on this further so that in future years less than 5% of our energy as power & fuel has to be purchased and the rest is all from waste heat recovery.

Similarly, between 1990 to 2021 while we have grown over six fold, our total water consumption at the main Ranipet complex has reduced from about 3,000 kl per day to less than 2,000 kl per day.

These remarkable achievements have been the result of clear management goals and hundreds of modifications & improvements, that were developed & implemented by our employees at all levels, including R&D, design, construction, and implementation. Energy & water conservation has become deeply embedded in the DNA of the organization.

In the last decades, many innovations have been implemented to reduce solid & liquid wastes and convert them into usable & saleable products. For example, nearly 6,000 tonnes per year of high value food ingredients and finechems are synthesized from the components of waste liquors of our plant that were previously biologically treated & discharged. This is based on R&D efforts followed by progressive commercialisation as the organization grew. This helped us become a zero liquid discharge plant at our main complex in Tamil Nadu, the first in India, and one of the few in the world at that time.

Similarly, on solid wastes we recover over 85% as highly pure saleable products & by-products.

These initiatives in recovery of energy, and in wastewater & in solid wastes thus produce significant returns to the company and help us reduce our impact on the environment.

One of the key elements of sustainability is a well-trained and highly motivated workforce. TCL is recognized for the quality of its training & development processes, and for of its people - their motivation, their enthusiasm & eagerness to improve, perform better. This is a structured program of many decades. We are very proud of our people, and the recognition of their quality from our partners, from the industry, from universities & colleges, and even by our competitors.

The above points are the important drivers of our sustainability and competitiveness.

Independent Auditor's Certificate on Corporate Governance

To the Members of Thirumalai Chemicals Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 18 October 2021.
2. We have examined the compliance of conditions of corporate governance by Thirumalai Chemicals Limited ('the Company') for the year ended on 31 March 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2022.

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

Restriction on use

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Sumesh E S
Partner
Membership No.: 206931
UDIN: 22206931AKZWWB5889

Place : Chennai
Date : 26 May 2022

Form No. MR.3

Secretarial Audit Report for the financial year ended on March 31, 2022

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

To,
The Members
Thirumalai Chemicals Limited
[CIN; L24100MH1972PLC016149]
Thirumalai House, Road No. 29, Near Sion Hill Fort,
Sion (East), Mumbai - 400022

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the

We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 generally 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, 2022 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made there-under;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there-under;

III. The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable.

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

VI. The Management has Identified and confirmed the following laws as specifically applicable to the Company;

   (a) Explosive Act, 1974

   (b) Hazardous Wastes (Management and Handling) Rules 2016

   (c) The Chemical Weapons Convention Act, 2000

   (d) Food Safety and Standards Act, 2006 and Rules 2011 with allied Rules and Regulations

   (e) The Prevention of Food Adulteration Act, 1954 and Rules made thereunder

   (f) Legal Metrology Act, 2009

   (g) Legal Metrology (Packaged Commodities) Rules, 2011.

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

(a) Secretarial Standards issued by the Institute of Company Secretaries of India related to the meetings of Board of Directors and General Meetings;

(b) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015

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

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

During the audit period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. as mentioned above.

During the audit period under review, provisions of the following regulations were not applicable to the Company;

(a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008 (till August 15, 2021)

(d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013; (till August 15, 2021)

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from August 16, 2021);

(f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014(till August 12, 2021) and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

(g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 201); and

(h) 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

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 the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Decisions at the meetings of Board of Directors of the Company and Committee thereof were carried out with requisite majority.
- The foreign subsidiaries of the Company are not required to maintain the minutes as per the law applicable to the country in which they are incorporated.

We further report that based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department duly signed by the department head and Compliance Certificate(s) of the Managing Director/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion adequate system and process exists in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **R M Mimani & Associates LLP**
[Company Secretaries]
[Firm Registration No. L2015MH008300]

Ranjana Mimani
(Partner)
FCS No : 6271
CP No : 4234
PR No. : 1065/2021
UDIN: F006271D000383164

Place : Mumbai
Dated : May 26, 2022

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

Annexure – "A"

To,
The Members
Thirumalai Chemicals Limited
[CIN; L24100MH1972PLC016149]
Thirumalai House,
Road No. 29, Near Sion Hill Fort,
Sion (East), Mumbai - 400022

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

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

For **R M Mimani & Associates LLP**
[Company Secretaries]

[Firm Registration No. L2015MH008300]

Ranjana Mimani
(Partner)
FCS No : 6271
CP No : 4234
PR No. : 1065/2021
UDIN: F006271D000383164

Place : Mumbai
Dated : May 26, 2022

Independent Auditor's Report

To the Members of Thirumalai Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Thirumalai Chemicals Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information,.

2. 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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profits including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

   Capital work in progress/Property, Plant & Equipment (Refer note 2.6 & note 3 to the accompanying standalone financial statements)

Key audit matter	How our audit addressed the key audit matter
The Company is in the process of constructing new plants / augmenting existing assets ('projects') for expanding/ improving its business operations. During the year, the Company has capitalised Rs. 11,950 Lakhs based on completion of various projects as per recognition criteria given under Ind AS 16, Property, plant and equipment ('Ind AS 16'). There are a number of areas where management judgement impacts the carrying value of property, plant and equipment & Capital work in progress. These include the decision to capitalise or expense costs, the unit of measure to be used for capitalization, determining what constitutes an item of PPE and the timeliness of capitalization based on when the assets are ready to put to use. The estimates and assumptions used to determine the carrying amounts, including whether and when to capitalise or expense certain direct & indirect costs, and the determination of depreciation charges are material to the Company's financial position and performance. Inappropriate timing of capitalization of the project and/or identification of significant parts of PPE could result in material misstatement of Capital work-in-progress/ PPE with a consequent impact on depreciation charge and results for the year.	Our audit work included, but was not limited to, the following procedures: • Obtained an understanding of the business process and assessed the appropriateness of the accounting policy adopted by the Company in accordance with Ind AS 16. • Performed walk-through of the capitalisation process and tested the design and operating effectiveness of the controls in the process. • Tested the additions made to property, plant and equipment and capital work-in-progress on a sample basis by checking underlying supporting documents to ensure such items are recorded accurately in the correct account and period, in accordance with the requirements of Ind AS 16. • On a test check basis, we have physically verified existence of capital work in progress/PPE during our site visits. • Assessed that the borrowing cost capitalised during the year is in accordance with the accounting policy of the Company and Ind AS 23, Borrowing cost. • For projects completed during the year, reviewed the project completion/handover certificate provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. • For such projects, assessed the appropriateness of timing of capitalization, identification of significant parts of property, plant and equipment that are depreciated separately and useful lives considered for calculation of depreciation charge.

Given the significance of capital expenditure during the year, the nature and volume of transactions, complexity and judgement involved in determination of eligible costs for capitalization the aforesaid matter was determined to be a key audit matter for the current year.	• Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in accordance with the applicable accounting standards. Based on audit procedures performed, we determined the identification and timing of capitalisation of PPE and Capital-work-in-progress to be appropriate in the context of the financial statements taken as a whole.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

8. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

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

c. The standalone financial statements dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and

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

   i. the Company, as detailed in note 34 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022.;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022

iv. a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 4 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend paid by the Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 12(g) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Sumesh E S
Partner
Membership No.: 206931
UDIN: 22206931AKMJTP7209

Place : Chennai
Date : 26 May 2022

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Thirumalai Chemicals Limited on the standalone financial statements for the year ended 31 March 2022.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i.

a.

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

b. The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of 3 years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

c. The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

d. The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

e. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

ii.

a. The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.

b. The Company has a working capital limit in excess of ₹ 5 crore sanctioned by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were/were not subject to audit/review.

iii.

a. The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.

b. The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in two subsidiaries amounting to ₹16,342 Lakhs and in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.

c. In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

d. There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.

e. The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

f. The Company has not granted any loans or advances in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans, investments, guarantees and security, as applicable. Further, the Company has not entered into any transaction covered under section 185.

v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii.

a. In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Amount paid (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Tax dues	84	Nil	2000-01 to 2005-06	High Court, Chennai
Tamil Nadu General Sales Tax Act, 1959	Tax dues	17	4	2006-07	Appellate Deputy Commissioner (CT), Vellore
Tamil Nadu Value Added Tax, 2006	Tax dues	35	5	2006-07 to 2008-09; 2013-14 to 2014-15	Appellate Deputy Commissioner (CT), Vellore
Central Sales Tax Act, 1956	Tax dues	14	4	2006-07	Appellate Deputy Commissioner (CT), Vellore
Income Tax Act, 1961	Tax dues	626	211	AY 2013-14 AY 2014-15 AY 2016-17 AY 2017-18	CIT (A), Mumbai
Income Tax Act, 1961	Tax dues	48	Nil	AY 2019-20	DCIT Mumbai

viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

ix.

a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

b. According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

c. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilization during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

d. In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable to the Company.

e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f. According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

x.

a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi.

a. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

xiv.

a. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

b. We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.

xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Sumesh E S
Partner
Membership No.: 206931
UDIN : 22206931AKMJTP7209

Place : Chennai
Date : 26 May 2022

Annexure B to the Independent Auditor's Report of even date to the members of Thirumalai Chemicals Limited on the standalone financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Thirumalai Chemicals Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements .

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on IFCoFR criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Sumesh E S
Partner
Membership No.: 206931
UDIN : 22206931AKMJTP7209

Place : Chennai
Date : 26 May 2022

Standalone Balance Sheet as at 31 March 2022

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	38,585	29,238
Capital work-in-progress	3	558	10,795
Intangible assets	3	6	12
Right of use assets	3	3,041	2,484
Financial assets	21		
(i) Investments	4	36,689	19,042
(ii) Loans	5	1,516	1,470
(iii) Other financial assets	6	248	204
Income tax assets (net)	7	1,028	1,017
Other non-current assets	8	576	233
		82,247	**64,495**
Current assets			
Inventories	9	20,620	10,947
Financial assets	21		
(i) Investments	4	5,148	2,005
(ii) Trade receivables	10	9,564	4,995
(iii) Cash and cash equivalents	11	15,898	17,607
(iv) Bank balances other than (iii) above	11	8,126	8,155
(v) Other financial assets	6	376	279
Other current assets	8	7,004	3,437
		66,736	**47,425**
Total assets		**1,48,983**	**1,11,920**
Equity and Liabilities			
Equity			
Equity share capital	12	1,024	1,024
Other equity	14	85,785	71,440
Total equity		**86,809**	**72,464**
Non-current liabilities			
Financial liabilities	21		
(i) Borrowings	15	7,541	10,063
(ii) Lease liabilities	16	189	-
Deferred tax liabilities (net)	7	4,708	4,481
Provisions	17	1,086	1,037
		13,524	**15,581**
Current liabilities			
Financial liabilities	21		
(i) Borrowings	15	2,555	2,455
(ii) Lease liabilities	16	222	-
(iii) Trade payables	18		
(A) Total outstanding dues of micro enterprises and small enterprises		140	34
(B) Total outstanding dues other than micro enterprises and small enterprises		38,144	17,420
(iv) Other financial liabilities	19	1,868	2,359
Provisions	17	235	154
Current tax liabilities	7	149	362
Other current liabilities	20	5,337	1,091
		48,650	**23,875**
Total equity and liabilities		**1,48,983**	**1,11,920**
Notes 1 to 39 form an integral part of these standalone financial statements			

In terms of our report attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

Sumesh E S
Partner
Membership No: 206931

Ramya Bharathram
Chief Financial Officer
(DIN : 06367352)
Place : Chennai
Date : 26 May 2022

R Parthasarathy
Managing Director
(DIN : 00092172)
Place : Ranipet
Date : 26 May 2022

R Ravishankar
Independent Director
(DIN : 01224361)
Place : Chennai
Date : 26 May 2022

C G Sethuram
Group Chief Executive Officer
Place : Chennai
Date : 26 May 2022

Sanjay Sinha
Chief Executive Officer
Place : Chennai
Date : 26 May 2022

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2022

Place : Chennai
Date : 26 May 2022

Statement of Standalone Profit and Loss for the year ended 31 March 2022

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	22	1,43,809	85,718
Other income	23	1,473	879
Total income		**1,45,282**	**86,597**
Expenses			
Cost of materials consumed	24	95,918	50,061
Purchase of stock-in-trade	24	404	643
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(1,532)	1,077
Employee benefits expense	26	5,194	3,672
Finance costs	27	1,818	1,887
Depreciation and amortisation expenses	3	3,198	2,521
Other expenses	28	19,823	11,308
Total expenses		**1,24,823**	**71,169**
Profit before tax		**20,459**	**15,428**
Tax expense	7		
-Current tax		4,929	4,062
-Deferred tax		299	(396)
Total tax expense		**5,228**	**3,666**
Profit for the year		**15,231**	**11,762**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
-Re-measurements of defined benefit liabilities	17	(12)	(41)
-Equity instruments through other comprehensive income		1,307	5,619
-Income tax relating to items that will not be reclassified to profit or loss	7	72	(417)
Other comprehensive income for the year, net of tax		**1,367**	**5,161**
Total comprehensive income for the year		**16,598**	**16,923**
Earnings per equity share on Profit for the year	29		
Basic and diluted (in ₹)		14.88	11.49
Notes 1 to 39 form an integral part of these standalone financial statements			

In terms of our report attached
For **Walker Chandiok & Co LLP**
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N500013

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Standalone Statement of Changes in Equity for the year ended 31 March 2022

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

A. Equity Share Capital

As at 31 March 2022

Balance at the beginning of the year	Changes in Equity due to prior period errors	Restated balance at the beginning of the year	Changes in equity share capital during the current year	Balance at the end of the year
1,024	-	1,024	-	1,024

As at 31 March 2021

Balance at the beginning of the year	Changes in Equity due to prior period errors	Restated balance at the beginning of the year	Changes in equity share capital during the current year	Balance at the end of the year
1,024	-	1,024	-	1,024

B. Other Equity

As at 31 March 2022

Particulars	Surplus	Securities premium	Retained earnings	Other reserves	Total other equity
	General reserve			Accumulated other comprehensive income	
Balances at 31 March 2020	**4,283**	**1,971**	**40,142**	**8,121**	**54,517**
Profit for the year	-	-	11,762	-	11,762
Other comprehensive income	-	-	-	5,161	5,161
Balances at 31 March 2021	**4,283**	**1,971**	**51,904**	**13,282**	**71,440**
Profit for the year	-	-	15,231	-	15,231
Dividend paid (relating to 2020-21)	-	-	(2,253)	-	(2,253)
Other comprehensive income	-	-	(9)	1,376	1,367
Balances at 31 March 2022	**4,283**	**1,971**	**64,873**	**14,658**	**85,785**
Notes 1 to 39 form an integral part of these standalone financial statements					

In terms of our report attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/
N500013

For and on behalf of the Board of Directors of
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Date : 26 May 2022

T Rajagopalan
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(FCS: 3508)
Place : Mumbai
Date : 26 May 2022

Place : Chennai
Date : 26 May 2022

Standalone Cash flow statement for the year ended 31 March 2022

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

		Year ended 31 March 2022	Year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Profit before tax	**20,459**	**15,428**
	Adjustments for:		
	Depreciation and amortisation expense	3,198	2,521
	Interest expense	1,818	1,887
	Interest income	(576)	(550)
	Dividend income from investments	(342)	(5)
	Provision for employee benefits	232	211
	Expected credit losses	-	910
	Profit on sale of property, plant and equipment, net	-	(9)
	Excess provisions/ sundry balances written back (net)	(189)	(5)
	Unrealised forex loss / (gain), net	(63)	75
	Loss/(Gain) on fair valuation of derivatives	(53)	-
	Discount receivable	(257)	(181)
	Operating profit before working capital changes	**24,227**	**20,282**
	Changes in assets and liabilities:		
	Decrease/ (increase) in trade and other receivables	(4,556)	539
	Decrease/ (increase) in inventories	(9,673)	2,320
	Decrease/ (increase) in other financial assets	169	1,613
	Decrease/ (increase) in other assets	(3,581)	484
	(Decrease)/ increase in trade and other payables	20,890	(4,365)
	(Decrease)/ increase in provisions & other liabilities	4,131	477
	(Decrease)/ increase in other financial liabilities	372	568
	Cash generated from operations	**31,979**	**21,918**
	Direct tax paid (net)	(5,174)	(3,860)
	Net cash generated by operating activities	**26,805**	**18,058**
B.	**Cash flow from investing activities**		
	Proceeds from sale of property, plant and equipment		20
	Capital expenditure on property, plant & equipment, capital work in progress and intangible assets including capital advances	(3,139)	(4,160)
	Interest received	502	550
	Sale/ (purchase) of investments (net)	(19,342)	(3,557)
	Dividend received	199	5
	Movement in balances with bank other than those mentioned in cash & cash equivalents	97	(7,101)
	Net cash used in investing activities	**(21,683)**	**(14,243)**
C.	**Cash flow from finance activities**		
	Repayment of borrowings (Also, refer note 15)	(2,455)	(1,339)
	Payment of lease liabilities	(445)	(252)
	Interest paid relating to long term borrowings	(951)	(1,298)
	Other interest paid	(772)	(731)
	Dividend refunded	-	26
	Dividend paid	(2,234)	-
	Net cash used in financing activities	**(6,857)**	**(3,594)**
D.	**Net cash inflows during the year**	**(1,735)**	**221**
E.	Cash and cash equivalents at the beginning of the year	17,607	17,421
F.	Effect of exchange rate fluctuations on foreign currency cash and cash equivalents	26	(35)
G.	**Cash and cash equivalents at the end of the year**	**15,898**	**17,607**
	Cash and cash equivalents comprise of:		
	Cash on hand	3	3
	Balances with banks - in current accounts	10,680	12,480
	Deposit accounts (with original maturity less than 3 months)	5,215	5,124
	Cash and cash equivalents as per note 11	**15,898**	**17,607**
Notes 1 to 39 form an integral part of these standalone financial statements			

In terms of our report attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 26 May 2022

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

Ramya Bharathram
Chief Financial Officer
(DIN : 06367352)
Place : Chennai
Date : 26 May 2022

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T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2022

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

1 General Information

Thirumalai Chemicals Limited ('the Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act. The Company's principal activities are manufacturing and selling chemicals. The shares of the Company are listed on stock exchanges in India.

These financial statements were authorized for issue by the Company's Board of Directors on 26 May 2022.

2 Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The standalone financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

These financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and financial liabilities (including derivative instruments), which are measured at fair value.

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 Schedule III to the Act. 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 up to twelve months for the purpose of current – non-current classification of assets and liabilities.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the financial statements. These reclassifications were not significant and have no impact on the total assets, total liabilities, total equity and profit of the Company.

2.2 Functional and presentation currency

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. All amounts have been rounded off to the nearest Lakhs, except share data and as otherwise stated.

2.3 Critical accounting estimates, assumptions and judgements

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods reported.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

(i) Deferred income tax assets and liabilities

"Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

The Taxation Laws (Amendment) Act, 2019 has amended the Income-tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to the Company to pay Income Tax at concessional rate of 22% plus applicable surcharge and cess, subject to certain specified conditions, as compared to the earlier rate of 30% plus applicable surcharge and cess for the assessment year 2020-21 onwards. The Company had opted for the concessional tax rate for the year ended 31 March 2021 and accordingly re-measured deferred tax and current tax liability at such concessional rate."

(ii) Useful lives of property, plant and equipment ('PPE') and intangible assets

Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes,expected level of usage and product life-cycle. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

(iii) Employee benefit obligations

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Provisions and contingencies

From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgement is required when evaluating the provision including, the probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the financial statements. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

(v) Recognition of property, plant and equipment (PPE) and Capital work in progress

Significant level of judgement is involved in assessing whether the expenditure incurred meets the recognition criteria under Ind AS 16 Property, Plant and Equipment. Also estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

2.4 Foreign currency transaction

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the Statement of Profit and Loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

2.5 Revenue from contracts with customers

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process:

1. Identifying the contract with customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers for products sold and service provided is recognised when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 60-90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

"For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:"

(i) the customer simultaneously consumes the benefit of Company's performance or

(ii) the customer controls the asset as it is being created/enhanced by the Company's performance or

(iii) there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents.

In all other cases, performance obligation is considered as satisfied at a point in time

Significant judgments are used in determining the revenue to be recognised in case of performance obligation satisfied over a period of time, revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation..

These activity-specific revenue recognition criteria are based on the goods or services provided to the customer

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

and the contract conditions in each case, and are as described below.

(i) Sale of chemicals

Revenue from sale of chemicals is recognised when control of the product is transferred to the customer, being when the products are delivered, accepted and acknowledged by customers and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue from the sale is recognised based on the price specified in the contract, net of rebates and discounts.

(ii) Income from wind operated generators

Revenue from sale of power is recognised on the basis of electrical units generated and transmitted to the grid of Electricity Board which coincides with completion of performance obligation as per the agreement. Revenue is recognised using the transaction price as stipulated in the agreement with the customer.

(iii) Income from operating lease

Rental income from operating leases is recognised on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(iv) Sale of scrap

Revenue from sale of scrap is recognised as and when the control over the goods is transferred.

(v) Dividend and interest income

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

(vi) Export benefits

Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of other operating income.

(vii) Revenue from construction/project related activity is recognised as follows

Cost plus contracts: Revenue from cost plus contracts is recognised over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in statement of profit and loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability.

2.6 Property, plant and equipment

(i) Plant and equipment

Plant and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management. Plant and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses.

Major shutdown and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised untill the asset is available for use. Revenue generated from production during the trial period is capitalised.

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss within other income or other expenses.

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

The components of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets.

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. The cost of property, plant and equipment includes non-refundable taxes, duties, freight, professional fees, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets. Property, plant and equipment which are retired from active use and are held for disposal are stated at the lower of their net book value or net realizable value. Cost of property, plant and equipment not ready for the intended use as at balance sheet date are disclosed as "capital work-in-progress".

(ii) Land

Land (other than investment property) held for use in production or administration is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

(iii) Intangible assets

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated.

(iv) Impairment testing of intangible assets and property, plant and equipment

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

(v) Depreciation and amortisation

Depreciation on property, plant and equipment is provided on straight line method and in the manner prescribed in Schedule II to the Companies Act, 2013, over its useful life specified in the Act, or based on the useful life of the assets as estimated by Management based on technical evaluation and advice. The residual value is generally assessed as 5% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Management's estimates of the useful life of various categories of fixed assets where estimates of useful life are lower than the useful life specified in Part C of Schedule II to the Companies Act, 2013 are as under:

Specific laboratory equipments	5 years
Office equipments (mobile phones)	2 years
Catalyst	2 years and 4 months

2.7 Research and development expenses

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

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

Expenditure incurred on property, plant and equipment used for research and development is capitalized and depreciated in accordance with the depreciation policy of the Company.

2.8 Leases

(a) Company as a lessee

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the lease term. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

(b) Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

2.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss or amortised cost.

Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a. Amortised cost
b. Fair value through other comprehensive income (FVOCI) or
c. Fair value through profit and loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(a) Financial asset at amortised cost

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortised cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

(b) Financial asset at fair value through other comprehensive income (FVOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

2.9 Financial instruments (Continued)

(c) Financial asset at fair value through profit and loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in profit and loss.

(d) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss:

This category are primarily derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

income. Assets/ liabilities in this category are presented as current assets/ current liabilities, if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

2.10 Inventories

(i) Raw materials

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

(ii) Work in progress and finished goods

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

(iii) Stores and Spares

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

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

2.11 Post-employment benefits and short-term employee benefits

(a) Defined contribution plan

Contribution to Provident Fund in India are in the nature of defined contribution plan and are made to a recognised fund. Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to insurance Company in accordance with the scheme framed by the Corporation. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

(i) Provident fund

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

(ii) Other funds

The Company's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

(iii) Superannuation fund

Contribution made towards Superannuation Fund (funded by payments to an insurance Company) which is a defined contribution plan, is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

(b) Defined benefit Plan

Under the Company's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary.

The defined benefit plans are as below

(i) Gratuity

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Company estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

(ii) Leave salary - compensated absences

The Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

2.12 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

2.13 Earnings per equity share

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

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

2.14 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

(i) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending the nature and circumstances of each uncertain tax position.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

(ii) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.15 Contingent liabilities and provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote.

The Company does not recognise contingent assets unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the financial statements.

2.16 Segment reporting

In accordance with Ind AS 108, Operating Segments, the Company has identified manufacture and sale of organic chemicals as the only reportable segment. Power Generation (previously reported segment), Engineering services (new segment established during the previous year), has been assessed to be very insignificant resulting in its operations and results are not being actively reviewed by decision makers of Company. Accordingly, the Company has a single reportable segment.Per Para 4 of Ind AS 108 Operating Segments, when entity's financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS well as the parent's standalone financial statements, segment information is required only in the consolidated financial statements. Hence segment information is disclosed as a part of consolidated financial statements for the year ended 31 March 2021.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of 3 months or less, as applicable.

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

3 (a) Property, plant and equipment, Intangible assets, Capital work-in-progress and Right of use assets

Particulars	Property, plant and equipment											Intangible assets
	Freehold land	Buildings and Roads	Plant and equipment	Wind operated generators	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Total	Capital Work-in-progress	Right of use assets	Computer software
Gross block												
Balance as at 01 April 2020	**7,074**	**988**	**26,471**	**571**	**123**	**111**	**129**	**135**	**35,602**	**7,079**	**2,278**	**101**
Additions	-	-	192	-	12	30	14	24	272	4,588	252	3
Transfer on capitalisation	-	-	872	-	-	-	-	-	872	(872)	-	-
Disposals	-	-	(82)	-	-	(10)	-	-	(92)	-	-	-
Balance as at 31 March 2021	**7,074**	**988**	**27,453**	**571**	**135**	**131**	**143**	**159**	**36,654**	**10,795**	**2,530**	**104**
Additions	-	26	237	-	10	2	28	36	339	1,713	803	6
Transfer on capitalisation	-	840	11,061	-	15	-	10	24	11,950	(11,950)	-	-
Disposals	-	-	-	-	-	-	-	(77)	(77)	-	-	-
Balance As at 31 March 2022	**7,074**	**1,854**	**38,751**	**571**	**160**	**133**	**181**	**142**	**48,866**	**558**	**3,333**	**110**
Accumulated depreciation / amortisation												
Balance as at 01 April 2020	**-**	**160**	**4,498**	**140**	**46**	**36**	**64**	**77**	**5,021**	**-**	**22**	**69**
Depreciation/ amortisation for the year	-	39	2,318	35	11	17	20	34	2,474	-	24	23
Reversal on disposal of assets	-	-	(69)	-	-	(10)	-	-	(79)	-	-	
Balance as at 31 March 2021	**-**	**199**	**6,747**	**175**	**57**	**43**	**84**	**111**	**7,416**	**-**	**46**	**92**
Depreciation/ amortisation for the year		144	2,677	35	12	19	23	30	2,940	-	246	12
Reversal on disposal of assets			-	-	-	-	-	(75)	(75)	-	-	
Balance As at 31 March 2022	**-**	**343**	**9,424**	**210**	**69**	**62**	**107**	**66**	**10,281**	**-**	**292**	**104**
Net block												
Balance as at 31 March 2021	7,074	789	20,706	396	78	88	59	48	29,238	10,795	2,484	12
Balance as at 31 March 2022	**7,074**	**1,511**	**29,327**	**361**	**91**	**71**	**74**	**76**	**38,585**	**558**	**3,041**	**6**

Notes:

(i) Of the above, both movable & immovable property, plant and equipment of the Company has been pledged as collateral for the Company's term loan (Refer note 15).

(ii) For contractual commitment with respect to property, plant and equipment refer note 34 (b).

(iii) The lease liabilities arising out of addition to Right of use asset has been fully paid at the inception of the respective leases,other than those mentioned in note 35.

(iv) Additions to Capital work-in-progress includes interest of ₹ 30 Lakhs (31 March 2021 ₹ 194 Lakhs) on borrowings specifically attributable to the project , which is capitalised as per Ind As 23 (Also Refer note 27).

Capital work-in-progress - Ageing

i) As at 31 March 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	262	296	-	-	558
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**262**	**296**	**-**	**-**	**558**

ii) As at 31 March 2021

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	6,200	4,595	-	-	10,795
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**6,200**	**4,595**	**-**	**-**	10,795

4. Investments

	31 March 2022	31 March 2021
I. Non-current investments		
a) Investments at cost		
Investments in equity instruments of subsidiaries - unquoted Cheminvest Pte Limited, Singapore (Representing 100% equity share capital of subsidiary) 6,000,000 equity shares of US$ 1 each fully paid up	3,786	3,786
Optimistic Organic Sdn Bhd, Malaysia (Representing 15.80% equity share capital of step down subsidiary) (refer note (i) below) 2,302,814 equity shares of US$ 2.09 each fully paid up	3,083	3,083
TCL Global B.V. Netherlands (Representing 100% equity share capital of subsidiary)(refer note (ii) below) 250,000 equity shares of Euro 0.10 each fully paid up	14,270	578
TCL Intermediates Private Limited	2,650	-
(Representing 100% equity share capital of subsidiary)(refer note (iii) below) 2,65,00,000 equity shares of Rs. 10 each fully paid up) **A**	**23,789**	**7,447**

(i) 84.20% Equity share capital of Optimistic Organic Sdn Bhd, Malaysia (Step down subsidiary) is held by Cheminvest Pte Limited (wholly owned subsidiary), resulting in 100% beneficial ownership by the Company.

(ii) During the year ended 31 March 2022, the Company has invested USD 18,500,000 (₹ 13,692 Lakhs) (31 March 2021 USD 750,000 (₹ 520 Lakhs) in TCL Global B.V., a wholly owned subsidiary located in Amsterdam, The Netherlands.

(iii) During the year ended 31 March 2022, the Company has invested ₹ 2,650 Lakhs (31 March 2021 Nil) in TCL Intermediates Private Limited a wholly owned subsidiary located in Dahej, Gujarat, India.

b) Investments designated at FVOCI

Investments in equity instruments		
Quoted		
5,000 (31 March 2021: 5,000) equity shares of Neyveli Lignite Corporation Limited at ₹ 10 each fully paid up	3	3
1,410 (31 March 2021: 1,410) equity shares of Piramal Enterprises Limited at ₹ 2 each fully paid up	31	25
500 (31 March 2021: 500) equity shares of Tata Power Limited 'at ₹ 1 each fully paid up	1	1
3,956,730 (31 March 2021: 3,956,730) equity shares of Ultramarine and Pigments Limited at ₹ 2 each fully paid up	12,865	11,566
B	**12,900**	**11,595**
Total non-current investments **A+ B**	**36,689**	**19,042**

Aggregate amount of:		
- Quoted investments and market value thereof;	12,900	11,595
- Unquoted investments	23,789	7,447
Extent of investment in subsidiaries		
Cheminvest Pte Limited, Singapore	100%	100%
Optimistic Organic Sdn Bhd, Malaysia (also refer note 4(I)(a)(i))	15.80%	15.80%
TCL Global B.V., Netherlands	100%	100%
TCL Intermediates Private Limited	100%	0%
II. Current investments		
a) Investments in mutual funds designated at FVTPL		
Quoted		
SBI Liquid Fund- Direct Plan -(Current year 192,836 units; Previous year 192,836 units)	2,074	2,005
ICICI Prudential Ultra Short Term Fund-(Current year 6,437,888 units; Previous year Nil)	1,539	-
HDFC Ultrashort Term Fund-(Current year 12,364,295 units, Previous year Nil)	1,535	-
Total current investments	**5,148**	**2,005**
Aggregate amount of:		
- Quoted investments and market value thereof;	5,148	2,005

III. Disclosure of Investments made through Intermediaries

Name of the Company	Classification
Thirumalai Chemicals Limited	Funding Party
TCL Global B.V.	Intermediary 1
TCL Inc.	Intermediary 2
TCL Specialities	Ultimate Beneficiary

a) Details of Investment from Funding Party to Intermediary 1

Date	EUR	₹ in Lakhs	Investments towards
13-Aug-19	25,000	20	Share Capital
Date	**USD**	**₹ in Lakhs**	**Investments towards**
23-Mar-20	50,000	38	Further investment in Ultimate beneficiary through intermediary 2
15-Jul-20	2,00,000	151	
11-Dec-20	5,00,000	369	
02-Jun-21	50,00,000	3,660	
06-Sep-21	32,50,000	2,377	
24-Sep-21	32,50,000	2,397	
27-Oct-21	30,00,000	2,250	
29-Dec-21	20,00,000	1,502	
03-Mar-22	20,00,000	1,506	
	1,92,50,000	**14,250**	

b) Details of Investment from Intermediary 1 to Intermediary 2

Date	USD	Investments towards
24-Feb-20	**1,000**	**Share Capital**
30-Mar-20	1,000	Further investment in Ultimate beneficiary.
31-Mar-20	49,000	
17-Jul-20	1,00,000	
20-Jul-20	1,00,000	
17-Dec-20	1,00,000	
18-Dec-20	4,00,000	
04-Jun-21	20,00,000	
07-Jun-21	20,00,000	
08-Jun-21	10,00,000	
09-Sep-21	20,00,000	
10-Sep-21	12,50,000	
28-Sep-21	20,00,000	
29-Sep-21	12,50,000	
28-Oct-21	10,00,000	
29-Oct-21	20,00,000	
03-Jan-22	20,00,000	
09-Mar-22	10,00,000	
10-Mar-22	10,00,000	
	1,92,50,000	

c) Details of Investment from Intermediary 2 to Ultimate Beneficiary

i) Towards Share Capital

Date	USD	Remarks
01-Apr-20	50,000	Amount received as Capital Contribution from funding party through intermediaries
30-Jul-20	1,98,434	
22-Dec-20	50,000	
28-Dec-20	4,45,000	
09-Jun-21	50,00,000	
15-Sep-21	32,50,000	
30-Sep-21	32,50,000	
29-Oct-21	30,00,000	
05-Jan-22	20,00,000	
15-Mar-22	19,86,566	
	1,92,30,000	

Notes

1) The management certifies that relevant provisions of the Foreign Exchange Management Act, 1999 and Companies Act, 2013 have been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002.

2) No guarantee, security or the like provided to or on behalf of the Ultimate Beneficiary as on 31 March 2022.

5. Loans (measured at amortised cost)

	As at 31 March 2022	As at 31 March 2021
Non-Current		
Unsecured, considered good		
Loans and advances to subsidiary companies (Refer note 33 (c)) *	1,516	1,470
	1,516	**1,470**

*Represents amount provided to Cheminvest Pte. Limited which is repayable in installments starting from September 2023.

6. Other financial assets

(Unsecured, considered good unless and otherwise stated)	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Security deposits				
- Unsecured, considered good	248	-	204	-
- Deposits which have significant increase in credit risk	16	-	16	-
Less: Allowances for expected credit loss	(16)	-	(16)	-
Staff advances	-	31	-	23
Receivable from subsidiary and step down subsidiary (Refer note 33 (c))	-	-	-	3
Receivable from supplier	-	255	-	169
Derivative asset	-	53	-	-
Claims receivable	-	2	-	12
Others	-	35	-	72
	248	**376**	**204**	**279**

Notes:

(a) There are no financial assets due from directors or other officers of the Company.

(b) The carrying amount of cumulative other financial assets are considered as a reasonable approximation of fair value and adequate allowances for losses have been provided.

(c) A description of the Company's financial instrument risks, including risk management objectives and policies are given in note 21.

7. Income tax

	As at 31 March 2022	As at 31 March 2021
I. Income tax assets (net)		
Taxes paid in advance (net)	1,028	1,017
	1,028	**1,017**
Income tax liabilities (net)	149	362
	149	**362**
II. Amounts recognised in profit or loss	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Current tax		
Current period	4,929	4,062
Total current tax expense	**4,929**	**4,062**
Deferred tax attributable to		
Origination and reversal of temporary differences	299	(149)
Unused tax credits	-	578
Decrease in tax rate due to adoption of new tax regime	-	(825)
Total deferred tax expense/ (benefit)	**299**	**(396)**
Income tax expense	**5,228**	**3,666**

The Taxation Laws (Amendment) Act, 2019 has amended the Income-tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to the Company to pay Income Tax at concessional rate of 22% plus applicable surcharge and cess, subject to certain specified conditions, as compared to the earlier rate of 30% plus applicable surcharge and cess for the assessment year 2020-21 onwards. The Company had opted for the concessional tax rate for the year ended 31 March 2021 and accordingly re-measured deferred tax and current tax liability at such concessional rate.

III. Amounts recognised in other comprehensive income

	Year ended 31 March 2022			Year ended 31 March 2021		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
- Re-measurements of defined benefit liabilities	(12)	3	(9)	(41)	10	(31)
- Equity instruments through other comprehensive income	1,307	69	1,376	5,619	(427)	5,192
	1,295	**72**	**1,367**	**5,578**	**(417)**	**5,161**

IV. Reconciliation of effective tax rate

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 25.17% (2020-21: 25.17%) and the reported tax expense in the statement of profit and loss are as follows:

	Year ended 31 March 2022		Year ended 31 March 2021	
Profit before tax		20,459		15,428
Tax using the Company's domestic tax rate	25.17%	5,150	25.17%	3,883
Effect of:				
Income exempt from tax	0.00%	-	-0.06%	(9)
Expenses disallowed for tax purpose	0.76%	155	0.71%	110
Deduction allowed under income tax	-0.29%	(59)	0.00%	-
Unused tax credit written off	0.00%	-	3.03%	467
Re-measurement of Deferred tax due to decrease in tax rates	0.00%	-	-5.35%	(825)
Excess provision for previous year	0.00%	-	0.37%	57
Others	-0.09%	(18)	-0.12%	(17)
Effective tax rate	25.55%	5,228	23.75%	**3,666**

V. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets)/ liability	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Provisions - employee benefits	(332)	(300)	-	-	(332)	(300)
Provisions - others	(259)	(264)	-	-	(259)	(264)
Property, plant and equipment	-	-	2,795	4,015	2,795	4,015
Revaluation of assets	-	-	2,504	1,030	2,504	1,030
Deferred tax (assets)/ liabilities	**(591)**	**(564)**	**5,299**	**5,045**	**4,708**	**4,481**

In assessing the recoverability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. All deferred tax assets have been recognized in the balance sheet.

8. Other assets

	As at 31 Marche 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
a) Capital advances	396	-	76	-
b) Advances other than capital advances				
i) Supplier advances				
- Considered good	-	1,287	-	480
- Considered doubtful	-	-	-	9
Less : Allowances for bad and doubtful advances	-	-	-	(9)
c) Others				
i) Balance with Government authorities	-	673	-	1,363
ii) Contract asset (Also refer b below and note 20)	-	4,775	-	1,465
iii) Prepaid expenses	132	206	105	105
iv) Others	48	63	52	24
	576	**7,004**	**233**	**3,437**

a) All of the Company's other current and non-current assets have been reviewed for indicators of impairment, and adequate allowances for losses have been provided.

b) Contract asset represents costs incurred to fulfil a contract which will be amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. No revenue is recognised during the year pertaining to the contract asset.

9. Inventories

(valued at lower of cost and net realisable value)

	31 March 2022	31 March 2021
Raw materials	15,442	8,211
Work-in-progress	1,327	593
Finished goods	2,305	1,486
Stock-in-trade	44	65
Stores and spares	1,208	384
Fuel	194	103
Packing materials	100	105
	20,620	**10,947**
Note		
(i) Goods-in-transit included above are as below :		
a. Raw materials	1,610	-
b. Finished goods	1,945	1,132

10. Trade receivables

	As at 31 March 2022	As at 31 March 2021
Current		
Unsecured		
(a) Considered good	9,564	4,995
(b) Trade Receivables – credit impaired	1,012	1,025
	10,576	**6,020**
Allowance for expected credit loss:		
(a) Trade Receivables – credit impaired	(1,012)	(1,025)
	(1,012)	**(1,025)**
Net trade receivables	**9,564**	**4,995**
Notes:		
(i) Of the above, trade receivables from related parties are as below:		
Trade receivable from related parties (Also, refer note 33 (c))	1,112	81
Expected credit loss	-	-
Net trade receivables from related parties	**1,112**	**81**

(ii) Movement in allowance for expected credit loss	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	**1,025**	**130**
Amounts written off	-	-
Allowance during the year	-	1,009
Reversal during the year	(13)	(114)
Balance at the end of the year	**1,012**	**1,025**

(iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as it is expected to be collected within twelve months.

(iv) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 21.

(v) The Company has also considered credit information of its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, is adequate.

Trade receivables ageing as on 31 March 2022

Particulars	Out standing for the following period from the date of due date						Total
	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade Receivables considered good	8,023	1,350	107	84	-	-	9,564
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	1,012	-	-	**1,012**
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**8,023**	**1,350**	**107**	**1,096**	**-**	**-**	**10,576**

Trade receivables ageing as on 31 March 2021

Particulars	Out standing for the following period from the date of due date						Total
	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade Receivables considered good	3,896	1,014	85	-	-	-	**4,995**
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables - credit impaired	-	-	995	18	12	-	**1,025**
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	**-**
Total	**3,896**	**1,014**	**1,080**	**18**	**12**	**-**	**6,020**

11. Cash and bank balances

	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Balance with banks in current accounts	10,680	12,480
Cash on hand	3	3
Deposit accounts (with original maturity less than 3 months)	5,215	5,124
Cash and cash equivalents as per statement of cash flows	**15,898**	**17,607**
Bank balances other than mentioned in cash and cash equivalents		
Unpaid dividend (Also, refer note (i) below)	130	111
Deposit accounts (with original maturity greater than 3 months upto 12 months)	7,659	7,718
Balances with bank held as margin money	337	326
	8,126	**8,155**
Total	**24,024**	**25,762**

(i) Unpaid dividend included above represent amounts to be credited to the Investors Education and Protection Fund as and when they become due. There are no delays in transferring the amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

(ii) Unpaid interest on matured deposits included in Cash and cash equivalents is ₹ Nil Lakhs (31 March 2021: ₹ 10 Lakhs).

12. Equity share capital

	As at 31 March 2022		As at 31 March 2021	
Authorised	**Number**	**₹ in Lakhs**	**Number**	**₹ in Lakhs**
Equity shares of ₹ 1 each	15,00,00,000	1,500	15,00,00,000	1,500
Unclassified shares of ₹ 10 each	1,00,00,000	1,000	1,00,00,000	1,000
	16,00,00,000	**2,500**	**16,00,00,000**	**2,500**
Issued				
Equity shares of ₹ 1 each	10,24,28,120	1,024	10,24,28,120	1,024
	10,24,28,120	**1,024**	**10,24,28,120**	**1,024**
Subscribed and fully paid-up				
Equity shares of ₹ 1 each	10,23,88,120	1,024	10,23,88,120	1,024
Add: Amount paid up on forfeited shares (Also, refer note e)	40,000	-	40,000	-
	10,24,28,120	**1,024**	**10,24,28,120**	**1,024**

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

b) **Terms/ rights attached to equity shares**

The Company has one class of equity shares having a par value of ₹ 1 per share. The Company declares and pays dividends in Indian Rupees (₹). The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which is approved by the Board of Directors. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportional to the number of equity shares held by the shareholders.

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

	As at 31 March 2022		As at 31 March 2021	
	Number	**% holding**	**Number**	**% holding**
Equity shares of ₹ 1 each				
Ultramarine and Pigments Limited	2,04,51,770	19.97%	2,04,51,770	19.97%
Jasmine Limited	67,71,880	6.61%	67,54,050	6.59%
	2,72,23,650	**26.58%**	**2,72,05,820**	**26.56%**

d) Disclosure of shareholding of promoters

Promoter name	As at 31 March 2022			As at 31 March 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Ultramarine & Pigments Limited	2,04,51,770	19.97%	0.00%	2,04,51,770	19.97%	0.00%
Jasmine Limited	67,71,880	6.61%	0.26%	67,54,050	6.59%	0.00%
Sujata Sampath Family Trust	29,44,655	2.87%	100.00%	-	0.00%	0.00%
Sampath Family Trust	29,44,655	2.87%	100.00%	-	0.00%	0.00%
Parthasarathy Rangaswamy	24,28,811	2.37%	1.27%	23,98,330	2.34%	0.00%
Bhooma Parthasarathy	23,33,950	2.28%	0.00%	23,33,950	2.28%	0.00%
Indira Sundarrajan	18,69,210	1.82%	0.00%	18,69,210	1.82%	0.00%
Tara Parthasarathy	7,32,330	0.69%	-1.42%	7,32,330	0.70%	0.00%
Meera Parthasarathy	6,92,730	0.68%	0.00%	6,92,730	0.68%	0.00%
Vidhya S	4,78,130	0.47%	0.00%	4,78,130	0.47%	2.14%
Varadharajan S	4,45,205	0.43%	22.35%	3,63,880	0.36%	0.00%
Ramya Bharathram	2,99,120	0.29%	1.53%	2,94,620	0.29%	0.00%
Narayan S	2,79,526	0.27%	41.03%	1,98,201	0.19%	0.00%
Deepa Ajay	1,46,290	0.14%	134.06%	62,500	0.06%	0.00%
Sundararajan V S	58,730	0.06%	0.00%	58,730	0.06%	0.00%
Uttara B	40,000	0.04%	0.00%	40,000	0.04%	0.00%
Sampath R	20,000	0.02%	-99.32%	29,54,655	2.88%	0.34%
Bharathram V	15,000	0.01%	50.00%	10,000	0.01%	0.00%
Sujata Sampath	10,000	0.01%	-99.66%	29,54,655	2.88%	0.34%
Vidya Family Trust	9,750	0.01%	100.00%	-	0.00%	0.00%
Ramya Family Trust	8,800	0.01%	100.00%	-	0.00%	0.00%
Geetha S	-	0.00%	-100.00%	2,46,440	0.24%	0.00%
Kala Sundarveda	-	0.00%	-100.00%	2,000	0.00%	0.00%
	4,29,80,542	**41.94%**		**4,28,96,181**	**41.87%**	

e) The Company had forfeited 40,000 equity shares of ₹ 1 each (31 March 2021: 40,000 equity shares of ₹ 1 each) on which amount originally paid up was ₹ 22,500.

f) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31 March 2022.

g) Details of dividend declared:

	Year ended 31 March 2022	Year ended 31 March 2021
Date of meeting of board of directors	26-May-21	-
Dividend per share	₹ 2.20	-
Cash outflow in Lakhs	2,253	-

The board of directors, in its meeting on 26 May 2022, has recommended a final dividend of ₹ 2.50 per equity share for the financial year ended 31 March 2022. The recommendation is subject to the approval of shareholders at the annual general meeting and if approved would result in a cash out flow of approximately ₹ 2,560 Lakhs.

13. Capital management policies and procedures

The Company's capital management objectives are to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure the Company has sufficient available funds for business requirements. There are no imposed capital requirements on the Company, whether statutory or otherwise.

The Company monitors capital using a ratio of 'net debt' to 'equity'. Net Debt is calculated as total borrowings (shown in note 15), less cash and cash equivalents.

The Company's net debt to equity ratio as at 31 March 2022 is as follows:

	As at 31 March 2022	As at 31 March 2021
Total borrowings	10,096	12,518
Less: Cash and cash equivalents	(15,898)	(17,607)
Net Debt / (Cash position)	**(5,802)**	**(5,089)**
Total equity	**86,809**	**72,464**
Net Debt to equity ratio	**-6.68%**	**-7.02%**

14. Other equity

	As at 31 March 2022	As at 31 March 2021
I. Surplus		
(a) Securities premium	1,971	1,971
(b) General reserve	4,283	4,283
(c) Retained earnings	64,873	51,904
Total Surplus	**71,127**	**58,158**
II. Other reserves		
(d) Accumulated other comprehensive income	14,658	13,282
III. Total other equity (I+II)	**85,785**	**71,440**
(a) Securities premium		
Balance at the beginning of the year	1,971	1,971
Add: Addittions made during the year	-	-
Balance at the end of the year	1,971	1,971
Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.		
(b) General reserve		
Balance at the beginning of the year	4,283	4,283
Add: Addittions made during the year	-	-
Balance at the end of the year	**4,283**	**4,283**
General reserve represents an appropriation of profits by the Company, which can be utilised for purposes such as dividend payout etc.		
(c) Retained earnings		
Balance at the beginning of the year	51,904	40,142
Add : Transfer from statement of profit and loss	15,231	11,762
Less : Transfer from Other comprehensive income	(9)	-
Less : Final dividend	(2,253)	-
Balance at the end of the year	**64,873**	**51,904**
Retained earnings comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc.		
(d) Accumulated other comprehensive income		
Balance at the beginning of the year	13,282	8,121
Add / (less) : Movement during the year	1,376	5,161
Balance at the end of the year	**14,658**	**13,282**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

15. Borrowings

	As at 31 March 2022	As at 31 March 2021
Secured - measured at amortised cost		
Term loan from banks (refer note (i) below)	10,096	12,518
Total non-current borrowings	**10,096**	**12,518**
Less: Current maturities of long-term loan from banks	2,555	2,455
Non-current borrowings (as per balance sheet)	**7,541**	**10,063**

Notes:

i) (a) The term loan of ₹ 6,015 Lakhs drawn from IDFC First bank is repayable in 24 equal quarterly instalments of ₹ 251 Lakhs, starting from 31 October 2020. The outstanding as on 31 March 2022 is ₹4,511 Lakhs (31 March 2021 ₹5,514 Lakhs).

(b) The term loan of ₹ 1,005 Lakhs drawn from IDFC First bank is repayable in 20 equal quarterly instalments of ₹ 50 Lakhs, starting from 31 October 2021. The outstanding as on 31 March 2022 is ₹ 905 Lakhs (31 March 2021 ₹ 1,005 Lakhs).

(c) The term loan of ₹ 6,930 Lakhs drawn from Axis bank, is repayable in 20 equal quarterly instalments of ₹ 338 Lakhs starting from 30 November 2020. The outstanding as on 31 March 2022 is ₹ 4,740 Lakhs(31 March 2021 ₹ 6,092 Lakhs).

(d) Current portion due for repayment within one year is ₹ 2,555 Lakhs (31 March 2021 ₹ 2,455 Lakhs).

(ii) The above borrowings are secured by way of first charge on both movable and immovable property, plant and equipment of the Company.

(iii) Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	**12,518**	**13,876**
A) Changes from financing cash flows		
(i) Proceeds from borrowings	-	-
(ii) Transaction costs related to borrowings	-	-
(iii) Repayment of borrowings	(2,455)	(1,339)
Total changes from financing cash flows	**(2,455)**	**(1,339)**
B) Other changes		
(i) Interest expense paid	(951)	(1,298)
(ii) Interest expense accrued	984	1,279
Total other changes	**33**	**(19)**
Balance at the end of the year	**10,096**	**12,518**

16. Lease Liabilities

	As at 31 March 2022	As at 31 March 2021
Current	222	-
Non Current	189	-
Total	**411**	**-**

17. Provisions

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Provisions for employee benefits				
(i) Gratuity	842	127	762	107
(ii) Compensated absences	244	108	275	47
	1,086	**235**	**1,037**	**154**

Provision for employee benefits

i) Gratuity

Gratuity is payable to all the employees at the rate of 15 days salary for each year of service. In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

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

	As at 31 March 2022	As at 31 March 2021
Change in present value of projected benefit obligation		
Present value of benefit obligation at the beginning of the year	869	759
Interest cost	57	50
Current service cost	78	67
Benefits paid	(47)	(48)
Actuarial (gain)/ loss	12	41
Projected benefit obligation at the end of the year	**969**	**869**
Thereof		
Unfunded	969	869
Components of net gratuity costs are:		
Current service cost	78	67
Interest cost	57	50
Net gratuity costs recognised in the income statement (Also, refer note 26)	**135**	**117**
Actuarial (gain)/ loss recognised in other comprehensive income	12	41
Principal actuarial assumptions used:		
a) Discount rate	6.84%	6.49%
b) Long-term rate of compensation increase	10.00%	10.00%
c) Average future service	7 years	7 years
d) Attrition rate	10.00%	10.00%
e) Mortality table	Indian assured lives mortality (2012-14) urban	Indian assured lives mortality (2006-08) ultimate

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

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2022	127	113	350	331	921
31 March 2021	107	70	299	307	783

Sensitivity Analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2022						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	-0.50%
Impact on defined benefit obligation	(6)	7	(29)	31	30	(28)
31 March 2021						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	-o.50%
Impact on defined benefit obligation	(7)	7	(28)	30	29	(28)

ii) Compensated absences

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

Principal actuarial assumptions used :	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Discount rate	6.84%	6.49%
Long-term rate of compensation increase	10.00%	10.00%
Average remaining life	7 years	7 years
Attrition rate	10.00%	10.00%

18. Trade payables

	As at 31 March 2022	**As at 31 March 2021**
Total outstanding dues of micro enterprises and small enterprises (Also, refer note (b) below)	140	34
Total outstanding dues other than micro enterprises and small enterprises *	38,144	17,420
	38,284	**17,454**

* Of the above, ₹ 1,014 Lakhs pertains to payable to related parties (31 March 2021 ₹ 12 Lakhs) (Also, refer note 33 (c)).

Trade payables ageing as on 31 March 2022

Particulars	Not due	Out standing for the following period from the date of due date				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	139	-	-	1	-	**140**
(ii) Others	25,152	12,958	11	20	3	**38,144**
(iii) Disputed MSME	-	-	-	-	-	**-**
(iv) Disputed Others	-	-	-	-	-	**-**
Total	**25,291**	**12,958**	**11**	**21**	**3**	**38,284**

Trade payables ageing as on 31 March 2021

Particulars	Not due	Out standing for the following period from the date of due date				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	34	-	-	-	-	**34**
(ii) Others	10,576	6,811	12	19	2	**17,420**
(iii) Disputed MSME	-	-	-	-	-	**-**
(iv) Disputed Others	-	-	-	-	-	**-**
Total	**10,610**	**6,811**	**12**	**19**	**2**	**17,454**

To the best of the knowledge of the Management, there are no unbilled dues payable to any supplier or service provider except to the extent of estimated provisions included in the above.

b) **According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro and Small Enterprises under the said Act as follows :**

		As at 31 March 2022	As at 31 March 2021
i)	Principal amount remaining unpaid included in Trade payables	140	34
ii)	Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv)	The amount of interest due accrued and remaining unpaid at the end of each accounting year.	0.59	0.67
v)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	0.59	0.67

19. Other financial liabilities

Capital creditors	453	1,245
Employee related payables	485	433
Directors remuneration payable (Refer note 33 (c))	791	559
Unpaid dividend	130	111
Other payables	9	11
	1,868	**2,359**

Notes:

(i) Unpaid dividend included above represent amounts to be credited to the Investors Education and Protection Fund as and when they become due. There are no delays in transferring the amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

(ii) Unpaid interest on matured deposits included in other payables is Nil (31 March 2021: ₹ 10 Lakhs).

(iii) The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 21.

20. Other current liabilities

Deposits from service providers	84	42
Statutory dues	284	499
Revenue received in advance	229	528
Contract Liability (Also refer note 33(c))*	4,715	-
Other payables	25	22
	5,337	**1,091**

*Contract liability represents amount received from TCL Specialities LLC. for construction & installation of modular plants in USA. Since the amount is received before the related work is performed the same is disclosed as contract liability.

21. Disclosures on financial instruments

I. Financial instruments by category

	As at 31 March 2022			As at 31 March 2021		
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
Financial assets						
Investments						
- Equity instruments*	-	-	12,900	-	-	11,595
- Mutual funds	-	5,148	-	-	2,005	-
Loans	1,516	-	-	1,470	-	-
Trade receivables	9,564	-	-	4,995	-	-
Cash and bank balances	24,024	-	-	25,762	-	-
Foreign currency forward contracts	-	53	-	-	-	-
Other financial assets	571	-	-	483	-	-
Total financial assets	**35,675**	**5,201**	**12,900**	**32,710**	**2,005**	**11,595**
	As at 31 March 2022			As at 31 March 2021		
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
Financial liabilities						
Borrowings	10,096	-	-	12,518	-	-
Trade payables	38,284	-	-	17,454	-	-
Other financial liabilities	1,868	-	-	2,359	-	-
Total financial liabilities	**50,248**	**-**	**-**	**32,331**	**-**	**-**

*Represents the equity securities which are not held for trading, and for which the Company has made an irrecovable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Company considers this classification to be more relevant.

Investments in subsidiaries are recorded at cost and have not been included in the disclosure above.

II. Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows the levels within the hierarchy of financial assets measured at fair value.

Particulars	Total	As at 31 March 2022		
		Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
FVOCI financial investments				
Quoted equity instruments	**12,900**	12,900	-	-
FVTPL financial investments				
Quoted Mutual funds	**5,148**	5,148	-	-
Derivative financial assets				
Forward contracts	**53**	-	-	53

Particulars	Total	As at 31 March 2021		
		Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
FVOCI financial investments				
Quoted equity instruments	**11,595**	11,595	-	-
FVTPL financial investments				
Quoted Mutual funds	**2,005**	2,005	-	-
Derivative financial assets				
Forward contracts	**-**	-	-	-

Notes:

(i) **Level 1:** level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

(ii) **Level 2:** level 2 hierarchy includes mutual funds. The mutual funds are valued using the closing NAV provided by the fund management Company at the end of each reporting year.

(iii) **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for:

• Foreign currency options contract - the fair value of options contracts is determined using the Black Scholes valuation model.

(iv) The Company has not disclosed the fair values for loans, cash and bank balances, trade receivables, other financial assets, trade payables, and other financial liabilities because their carrying amounts are a reasonable approximation to the fair value.

(v) There have been no transfers between levels 1 and 2 during the year.

III. Financial risk management

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company's senior management which is supported by a Treasury team manages these risks. The Treasury team advises on financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by the Treasury Team that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The notes below explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Investments, trade receivables, cash and bank balances, loans, other financial assets	Ageing analysis Credit ratings	Diversification of bank deposits, and credit limits
Liquidity risk	Trade and other payables, other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Long term Borrowings	Sensitivity analysis	NA
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian Rupee (₹)	Sensitivity analysis	Forward foreign exchange contracts Foreign currency options
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

A. Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables, taking preemptive action on over due receivables.

Trade receivables and loans

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure with any single counterparty or any group of counterparties having similar characteristics other than those disclosed in note 10 and 5. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management considers the credit quality of trade receivables that are not past due or impaired to be good.

Loss allowance for trade receivables are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Loans represent loans and advances extended to subsidiary Companies.

Cash and bank balances and investments

The credit risk for cash and cash equivalents, fixed deposits and mutual funds are considered negligible, since the counterparties are reputable banks with high quality external credit ratings and the Company is in the process of constatntly evaluating the risks associated with the investment .

Other financial assets

Other financial assets mainly comprises of security deposits which are given to customers or other governmental agencies, receivable from insurance Company & suppliers in relation to contracts executed and are assessed by the Company for credit risk on a continuous basis.

B. Liquidity risk

Liquidity risk is that the Company will not be able to meet its obligations as they become due. The objective of liquidity risk management is to maintain suffcient liquidity and ensure that funds are available for use as and when required. The treasury team's risk management policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements, including that which is required for meeting the projects of the Company.The Company manages the liquidity risk by maintaining adequate cash reserves, committed credit facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. Cash flows from trade receivables are all contractually due within 60 - 90 days based on the credit period.

The following are the remaining contractual maturities of financial liabilities at the reporting date:

	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
As at 31 March 2022				
Borrowings	1,659	1,607	8,534	-
Trade and other payables	38,284	-	-	-
Other financial liabilities	1,868		-	-
Total	**41,811**	**1,607**	**8,534**	**-**
As at 31 March 2021				
Borrowings	1,716	1,760	11,397	614
Trade and other payables	17,454	-	-	-
Other financial liabilities	2,359	-	-	-
Total	**21,529**	**1,760**	**11,397**	**614**

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's main exposure to interest risk arises from long term borrowings with floating rate.

Interest rate sensitivity analysis

The table below summarises the impact of increase/decrease of the interest rates at the reporting date, on the Company's equity and profit for the period. The analysis is based on the assumption of +/- 1% change.

	Profit before tax		Equity before tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
As at 31 March 2022				
Term loan from bank	10	(10)	10	(10)
As at 31 March 2021				
Term loan from bank	11	(11)	11	(11)

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenues and purchases are denominated, and the functional currency of the Company. The functional currency of the Company is the Indian Rupee (₹). The currency in which these transactions are primarily denominated are in Indian Rupee (₹). Certain transactions are also denominated in US dollars (USD) and Euro (EUR).

Derivative financial instruments

The Company holds foreign currency options / forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on black scholes model. Options contracts are mainly entered into for net foreign currency exposures that are not expected to be offset by other same currency transactions.

The Company's exposure to foreign currency risk in USD at the end of the reporting period expressed in Indian Rupees as follows:

	31 March 2022	31 March 2021
	₹ in Lakhs	**₹ in Lakhs**
Financial assets		
Loans	1,516	1,470
Trade receivables	3,178	328
Cash and bank balances	2,840	717
Other financial assets	53	3
Financial liabilities		
Trade and other payables	1,293	241
Net assets/ (liabilities)	**6,294**	**2,277**

The details in respect of outstanding foreign currency forward contracts are as follows:

	31 March 2022		31 March 2021	
	USD in Millions	**INR in Lakhs**	**USD in Millions**	**INR in Lakhs**
Forward contract in USD (Buy)	4.50	3,411	-	-
Forward contract in USD - (Sell)	3.50	2,653	-	-

The foreign exchange foward contracts mature within 12 months. ₹ figures above have been calculated based on spot rates as at the reporting periods. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the Balance Sheet date (amount in millions of USD):

	As at 31 March 2022		As at 31 March 2021
	Buy	Sell	
Not later than one month	-	0.75	-
Later than one month and not later than three months	4.50	0.75	-
Later than three months and not later than one year	-	2.00	-
Total	**4.50**	**4.50**	**-**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee (₹) against USDat 31 March would have affected the measurement of financial instruments denominated in such foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and also assumes a +/- 1% change of the INR /USD exchange rate at 31 March 2022 (31 March 2021: 1%). If the INR had strengthened against the USD by 1% during the year ended 31 March 2022 (31 March 2021: 1%) respectively then this would have had the following impact profit before tax and equity before tax:

	Profit before tax		Equity before tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2022				
USD	70	(70)	70	(70)
As at 31 March 2021				
USD	23	(23)	23	(23)

Price risk

Equity price risk is related to the change in market price of the investments in quoted equity securities. The Company's exposure to equity security prices arises from investments held by the Company and classified in the balance sheet as FVOCI. In general, these investments are strategic investments and are not held for trading purposes. Reports on the equity portfolio are submitted to the Company’s senior management on a regular basis.

Sensitivity analysis (+/ - 1%)

	Profit before tax		Equity before tax	
	Increase	Decrease	Increase	Decrease
As at 31 March 2022				
Quoted equity securities	129	(129)	129	(129)
As at 31 March 2021				
Quoted equity securities	116	(116)	116	(116)

22. Revenue from operations	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Sale of products		
Manufactured goods	1,42,368	84,134
Traded goods	476	869
Gross sales	**1,42,844**	**85,003**
Other operating revenues		
Sales of power from wind operated generators	139	126
Income from letting out of storage facility*	331	314
Duty drawback benefit	138	60
Export incentive	121	83
Sale of scrap (net of taxes recovered)	236	132
	965	**715**
	1,43,809	**85,718**

* The Company has certain cancellable and short term arrangement with third parties (which conveys a right to use Company's asset by those Companies in return for a payment) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental income of ₹ 331 Lakhs (31 March 2021: ₹ 314 Lakhs) in respect of such lease have been recognised in the Statement of profit and loss.

	Year ended 31 March 2022	Year ended 31 March 2021
23. Other income		
Interest income (Gross) (Also, refer note 33 (b))	576	550
Dividend income from investments	342	5
Profit on sale of property, plant and equipment, net	-	9
Rental income	42	38
Excess provisions/ sundry balances written back (net)	189	5
Gain on foreign currency transaction/ translation (net)	119	-
Gain on fair valuation of derivatives (net)	-	4
Expenses and services recharged (Also, refer note 33 (b))	189	182
Insurance claims	10	86
Miscellaneous receipts	6	-
	1,473	**879**
24. Cost of materials consumed and purchase of stock-in-trade		
Inventory at the beginning of the year	8,211	9,460
Add : Purchases during the year	1,03,149	48,812
	1,11,360	58,272
Less: Inventory at the end of the year	15,442	8,211
	95,918	**50,061**
Purchase of stock-in-trade		
Purchase of machinery spares and other chemicals	404	643
	404	**643**
25. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock		
Finished goods	1,486	2,566
Work-in-progress	593	477
Stock-in-trade	65	178
	2,144	**3,221**
Closing stock		
Finished goods	2,305	1,486
Work-in-progress	1,327	593
Stock-in-trade	44	65
	3,676	**2,144**
Changes in inventories	**(1,532)**	**1,077**
26. Employee benefits expenses		
Salaries, wages and bonus	4,579	3,225
Gratuity expense (Also, refer note 17)	135	117
Contribution to provident and other funds	242	195
Staff welfare expenses	238	135
	5,194	**3,672**

	Year ended 31 March 2022	Year ended 31 March 2021
27. Finance costs		
Interest expense*	1,557	1,656
Other borrowing costs	261	231
	1,818	**1,887**
*Net of Interest Capitalised of ₹ 30 Lakhs (31 March 2021 ₹ 194 Lakhs).		
28. Other expenses		
Stores and spares consumed	993	353
Power and fuel	5,580	1,821
Repairs to:		
- Machinery	1,541	502
- Buildings	328	119
- Others	44	25
Packing expenses and materials consumed	1,272	864
Freight and forwarding	6,980	4,134
Commission and brokerage	30	47
Rent*	218	176
Rates and taxes	223	248
Insurance	334	235
Travelling and conveyance	278	32
Communication expenses	40	37
Research and development expenses (Also, refer note 32)	264	290
Expenses on wind operated generators	55	52
Legal and professional charges (Also, refer note 30)	402	291
Commission to non-executive directors (Also, refer note 33 (b))	150	172
Provision for expected credit losses (Also, Refer note 6 and 10)	-	910
Corporate social responsibility expenditure (Also, refer note 31 and 33 (b))	251	284
Donations	158	37
Loss on foreign currency transaction / translation (net)	-	110
Loss on fair valuation of derivatives	12	-
Loss of damaged stock	-	3
Miscellaneous expenses	670	566
	19,823	**11,308**

*The Company has lease contracts for office premises and these lease contracts are cancellable/ renewable for further period on mutually agreeable terms during the tenure of lease contracts. These lease contracts are classified as short term lease contracts under Ind AS 116 which amounts to ₹ 83 Lakhs during the current year ended 31 March 2022.(₹ 72 Lakhs in Previous year)

29. Earnings per equity share (EPS)		
Basic and diluted earnings per share (₹)		
On profit for the year	14.88	11.49
Notes:		
The earnings and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows:		
(a) Earning used in the calculation of basic and diluted earnings per share:		
Profit for the year	15,231	11,762
(b) Weighted average number of equity shares used in the calculation of basic and diluted earnings per share:		
Weighted average number of equity shares outstanding during the year	**10,23,88,120**	**10,23,88,120**

30. Payments to auditor	Year ended 31 March 2022	Year ended 31 March 2021
As auditor		
Statutory audit	26	17
Limited review	13	11
Tax audit	3	3
Others	3	7
Total	**45**	**38**
31. Expenditure on Corporate Social Responsibility (CSR)		
(a) Gross amount required to be spent by the Company during the year	251	284
(b) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above	251	284
(c) Shortfall/ (Excess) spent at the end of the year	-	-
(d) Details of related party transactions		
Thirumalai Charity Trust	231	238
Worth Trust	-	10
(e) Whether any provision made based on contractual obligation to undertake CSR activity	No	No
All the expenditure on CSR have been paid during the year and no provision for expenses are created for the expenditure.		

Nature of Activities

Program for early Detection, Monitoring and Control of Non-Communicable Diseases (NCD) in the Community; Promoting health care including preventive health care for children; Covid 19 relief measures.

32. Research and Development expenses*		
The amount spent towards Research and Development expenses during the year are as under:		
Capital expenditure	-	-
Revenue expenditure (Also, refer note 28)	264	290
	264	**290**

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

33. Related parties

a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Subsidiary Companies	Cheminvest Pte. Limited (CPL)
	Optimistic Organic Sdn Bhd (OOSB)
	Lapiz Europe Limited
	TCL Global B.V.
	TCL Inc.
	TCL Specialties LLC.
	TCL Intermediates Private Limited (with effect from 15 December 2021)

Key Management Personnel	**Company Executives** Mr. R.Parthasarathy (Managing Director) Mrs. Ramya Bharathram (Managing Director and Chief Financial Officer) Mr. C.G Sethuraman (Group Chief Executive Officer) Mr. Sanjay Sinha (Chief Executive Officer) Mr. P Mohanachandra Nair (Executive Director) Mr. T Rajagopalan (Company Secretary) **Other Directors** Mr. R. Sampath (Non - Executive Director) Mr. Arun Ramanathan (Independent Director) Mr. Neelakantan Subramanian (Independent Director) (up to 05 August 2021) Mr. Raj Kataria (Independent Director) Mr. R. Ravi Shankar (Independent Director) Mr. Dhruv Moondhra (Independent Director) Mr. Rajeev M Pandia (Independent Director) Mrs. Bhama Krishnamurthy (Independent Director)
Enterprise having transaction with the Company during the current year/ previous year over which the Key Managerial Personnel and their relatives are able to exercise significant influence	Ultramarine and Pigments Limited (UPL) Thirumalai Charity Trust (TCT) Worth Trust

b) Transactions with related parties

Transaction	Related Party	Year ended 31 March 2022	Year ended 31 March 2021
Remuneration to Key Managerial Personnel*	Mr. R.Parthasarathy Mrs. Ramya Bharathram Mr. P Mohanachandra Nair Key Managerial Personnel other than directors	619 408 67 542	481 241 57 297
Director sitting fees	Independent and non-executive directors	68	63
Commission	Non - executive directors	150	172
Purchase of goods	Optimistic Organic Sdn Bhd Ultramarine and Pigments Limited	4,142 4	1,115 4
Sale of goods	Optimistic Organic Sdn Bhd TCL Global BV	192 5,200	138 704
Rendering of services	Optimistic Organic Sdn Bhd Ultramarine and Pigments Limited	131 46	125 40
Receipt of services	Ultramarine and Pigments Limited Thirumalai Charity Trust Lapiz Europe Limited TCL Global B.V.	15 6 1 -	16 3 - 49
Sale of fixed assets	Optimistic Organic Sdn Bhd	-	18
Guarantee commission	Optimistic Organic Sdn Bhd	58	57
Corporate social responsibility expenditure	Thirumalai Charity Trust	231	238
Corporate social responsibility expenditure	Worth Trust	-	10
Interest income on loan given	Cheminvest Pte. Limited	94	94

*Remuneration pertain to short term employee benefits. As the present value of obligation towards gratuity is determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

c) **Balances with related parties**

Particulars	Related Party	As at 31 March 2022	As at 31 March 2021
Trade receivables	Optimistic Organic Sdn Bhd	17	12
	TCL Global B.V.	1,091	69
	Ultramarine and Pigments Limited	4	-
Other receivables	Optimistic Organic Sdn Bhd	-	3
Contract Liability	TCL Specialties LLC.	4,715	-
Trade payables	Optimistic Organic Sdn Bhd	1,014	12
Deposits payable	Ultramarine and Pigments Limited	14	14
Loans	Cheminvest Pte. Limited	1,516	1,470
Directors remuneration payable (including commission to non-executive directors)	Key Managerial Personnel	791	559

d) **Details of maximum amount due at any time during the year:**

Particulars	Related Party	Year ended 31 March 2022	Year ended 31 March 2021
Loans	Cheminvest Pte. Limited	1,541	1,513

34. Contingent liabilities, commitments and guarantees

	As at 31 March 2022	As at 31 March 2021
a) Contingent liabilities		
Indirect tax matters under dispute (Refer note (i) below)	150	150
Income tax demand including interest contested in Appeal (Refer note (ii) below)	809	862
b) Commitments		
i) Estimated amount of contracts to be executed on capital account and not provided for	708	1,798
- Against which advances paid	396	339

ii) The Company has various lease contracts that are non cancellable and the future lease payments for these non-cancellable lease contracts are ₹ 222 Lakhs within one year. Also refer note 37.

c) **Guarantees**

Corporate guarantee issued by the Company on behalf of its subsidiary	5,777	5,586
Bank Guarantee issued by the Group to various parties for day to day business and administrative purposes.	1,542	-

(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 ₹ 84 Lakhs (Previous year ₹ 84 Lakhs). The Company has filed a writ petition against these notices in the High Court. The Company does not expect any liability to crystallize on this account. Further, no provision has been made in respect of disputed demands from Sales-tax Authorities to the extent of ₹ 66 Lakhs (Previous Year ₹ 66 Lakhs) 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 ₹ 13 Lakhs (Previous year ₹ 13 Lakhs).

(ii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹ 809 Lakhs (Previous Year ₹ 862 Lakhs) 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 ₹ 346 Lakhs (Previous year ₹ 495 Lakhs).

35. Leases

i) The Company has entered into lease arrangements for building that are renewable on a periodic basis with approval of both lessor and lessee.

ii) The Company does not have any lease commitments towards variable rent as per the contract.

iii) Lease liabilities are presented in the statement of financial position as follows:

	As at 31 March 2022	As at 31 March 2021
Current	222	-
Non-current	189	-
	411	**-**

iv) Future minimum lease payments are as follows:

Particulars	As at 31 March 2022			As at 31 March 2021		
Minimum lease payments due	Lease payments	Finance charges	Net present values	Lease payments	Finance charges	Net present values
Within 1 year	253	31	222	-	-	-
1-5 years	197	8	189	-	-	-
More than 5 years	-	-	-	-	-	-
	450	**39**	**411**	**-**	**-**	**-**

v) The following are amounts recognised in profit or loss:-

Depreciation expense of right-of-use assets	246	24
Interest expense on lease liabilities	51	-
Total	**297**	**24**

vi) Total cash outflow pertaining to leases

Total cash outflow pertaining to leases during the year ended	(445)	(252)

36. Ratios

S. No	Particulars	Numerator	Denominator	31 March 2022	31 March 2021	% Variance	Remarks
1	Current ratio	Current assets	Current liabilities	1.37	1.99	-30.94%	Decrease in current ratio is due to increase in advance from customers and trade payables as a result of increased raw material prices.
2	Debt service coverage ratio	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest	Debt Service = Interest + Lease payments + Principal repayments	1.93	1.29	49.18%	Movement in ratio is due to improvement in net profit, additions in ROU which is partly compensated by repayment of term loans during the current year.
3	Debt equity ratio	Outstanding borrowings	Shareholders' equity	11.63%	17.27%	-32.68%	Movement in ratio is due to improvement in Shareholder's Equity and repayment of term loans during the current year.

S. No	Particulars	Numerator	Denominator	31 March 2022	31 March 2021	% Variance	Remarks
4	Return on equity ratio	Net profit after taxes	Average shareholders' equity	19.13%	18.38%	4.07%	Not applicable
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	6.01	4.28	40.42%	The increase in Inventory turnover ratio is due to commencement of operations in Dahej Unit and increase in prices of raw material and its consequent in impact in finished goods and WIP.
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivable	19.76	15.02	31.55%	Ratio has increased on account of higher sales, and improved realisation.
7	Trade payables turnover ratio	Net Credit Purchases	Average Payables	3.72	2.49	49.46%	Increase in purchases in line with Revenue growth and efficient payable management during the year has led to faster creditors churning and thereby the payable turnover ratio has been improved.
8	Net capital turnover ratio	Net sales	Working capital	7.95	3.64	118.46%	Due to growth in Revenue along with increase in production and improved operating efficiencies in the business, cash balance, receivables and inventory balance is increased which has resulted reduction in negative working capital and an improvement in the ratio.
9	Net profit ratio	Net profit	Net sales	10.59%	13.72%	-22.81%	Not applicable
10	Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible net worth + Total debt + Deferred tax liability	21.92%	19.35%	13.27%	Not applicable
11	Return on investment	Net profit after taxes	Net block of PPE	39.47%	40.23%	-1.88%	Not applicable

Note
a) Explanations have been provided for any change in the ratio by more than 25% as compared to 31 March 2021.

37. Segment reporting

In accordance with Ind AS 108, Operating Segments, the Company has identified manufacture and sale of organic chemicals as the only reportable segment. Power Generation (previously reported segment), Engineering services (new segment established during the previous year), has been assessed to be very insignificant resulting in its operations and results are not being actively reviewed by decision makers of Company. Accordingly, the Company has a single reportable segment. Within the single reportable segment of sale of organic chemicals, a single customer contributes to 11% (31 March 2021 13%) of the Company's revenue from operations, amounting to ₹ 16,115 Lakhs (31 March 2021 ₹ 11,945 Lakhs).

38. Transfer pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Transfer pricing study for the financial year ended 31 March 2022 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Company's results.

39. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2022) and the date of approval of these financial statements (26 May 2022) except for proposed dividend as disclosed in note 12.

In terms of our report attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/
N500013

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 26 May 2022

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

Ramya Bharathram
Chief Financial Officer
(DIN : 06367352)
Place : Chennai
Date : 26 May 2022

R Parthasarathy
Managing Director
(DIN : 00092172)
Place : Ranipet
Date : 26 May 2022

R Ravishankar
Independent Director
(DIN : 01224361)
Place : Chennai
Date : 26 May 2022

C G Sethuram
Group Chief Executive Officer
Place : Chennai
Date : 26 May 2022

Sanjay Sinha
Chief Executive Officer
Place : Chennai
Date : 26 May 2022

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2022

Independent Auditor's Report

To the Members of Thirumalai Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Thirumalai Chemicals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated profit including other comprehensive income, consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

   Capital work in progress/Property, Plant & Equipment (Refer note 2.7 & note 3 to the accompanying Consolidated financial statements)

Key audit matter	How our audit addressed the key audit matter
The Holding Company is in the process of constructing new plants / augmenting existing assets ('projects') for expanding/ improving its business operations. During the year, the Holding Company has capitalised Rs. 11,950 Lakhs based on completion of various projects as per recognition criteria given under Ind AS 16, Property, plant and equipment ('Ind AS 16'). There are a number of areas where management judgement impacts the carrying value of property, plant and equipment & Capital work in progress. These include the decision to capitalise or expense costs, the unit of measure to be used for capitalization, determining what constitutes an item of PPE and the timeliness of capitalization based on when the assets are ready to put to use. The estimates and assumptions used to determine the carrying amounts, including whether and when to capitalise or expense certain direct & indirect costs, and the determination of depreciation charges are material to the Company's financial position and performance.	Our audit work included, but was not limited to, the following procedures: • Obtained an understanding of the business process and assessed the appropriateness of the accounting policy adopted by the Company in accordance with Ind AS 16. • Performed walk-through of the capitalisation process and tested the design and operating effectiveness of the controls in the process. • Tested the additions made to property, plant and equipment and capital work-in-progress on a sample basis by checking underlying supporting documents to ensure such items are recorded accurately in the correct account and period, in accordance with the requirements of Ind AS 16. • On a test check basis, we have physically verified existence of capital work in progress/PPE during our site visits. • Assessed that the borrowing cost capitalised during the year is in accordance with the accounting policy of the Company and Ind AS 23, Borrowing cost.

Inappropriate timing of capitalization of the project and/or identification of significant parts of PPE could result in material misstatement of Capital work-in-progress/ PPE with a consequent impact on depreciation charge and results for the year. Given the significance of capital expenditure during the year, the nature and volume of transactions, complexity and judgement involved in determination of eligible costs for capitalization the aforesaid matter was determined to be a key audit matter for the current year.	• For projects completed during the year, reviewed the project completion/handover certificate provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. • For such projects, assessed the appropriateness of timing of capitalization, identification of significant parts of property, plant and equipment that are depreciated separately and useful lives considered for calculation of depreciation charge. • Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in accordance with the applicable accounting standards. Based on audit procedures performed, we determined the identification and timing of capitalisation of PPE and Capital-work-in-progress to be appropriate in the context of the financial statements taken as a whole.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflects total assets of ₹ 57,836 Lakhs and net assets of ₹ 35,280 Lakhs as at 31 March 2022, total revenues of ₹ 60,569 Lakhs and net cash inflows amounting to ₹ 16,297 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished

to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

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

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

16. We did not audit the financial statements 4 subsidiaries, whose financial reflects total assets of ₹ 45,911 Lakhs and net assets of ₹ 43,425 Lakhs as at 31 March 2022, total revenues of ₹ 7,910 and net cash inflows amounting to ₹ 2,318 Lakhs for the year ended on that date, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and, we report that the Holding Company, its subsidiary Company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, its subsidiary Company, and taken on record by the Board of Directors of the Holding Company, its subsidiary Company, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion;

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 35 to the consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, during the year ended 31 March 2022;

iv.

a. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief , on the date of this audit report, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company, to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, on the date of this audit report , no funds have been received by the Holding Company or its subsidiary company, from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The final dividend paid by the Holding Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 11(g) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner
Membership No.: 206931
UDIN : 22206931AKMKRO1575

Place : Chennai
Date : 26 May 2022

Annexure 1:

1. Optimistic Organic Sdn. Bhd.
2. Cheminvest Pte Ltd
3. Lapiz Europe Limited
4. TCL Global B.V.
5. TCL Inc.
6. TCL Specialities.
7. TCL Intermediates Private Limited.

Annexure A to the Independent Auditor's Report of even date to the members of Thirumalai Chemicals Limited on the consolidated financial statements for the year ended 31 March 2022

Annexure A

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Thirumalai Chemicals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

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

5. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary Company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on IFCoFR criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner
Membership No.: 206931
UDIN : 22206931AKMKRO1575

Place: Chennai
Date: 26 May 2022

Consolidated Balance Sheet as at 31 March 2022

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	55,675	47,897
Capital work-in-progress	3	6,364	12,570
Intangible assets	3	6	12
Right of use assets	3	3,907	3,349
Financial assets	20		
(i) Investments	4	12,900	11,595
(iii) Other financial assets	5	248	204
Income tax assets (net)	6	1,034	1,137
Other non-current assets	7	2,921	258
		83,055	**77,022**
Current assets			
Inventories	8	24,196	13,150
Financial assets	20		
(i) Investments	4	5,148	2,005
(ii) Trade receivables	9	15,620	8,720
(iii) Cash and cash equivalents	10	42,488	22,658
(iv) Bank balances other than (iii) above	10	12,501	8,208
(v) Other financial assets	5	437	333
Other current assets	7	2,714	2,226
		1,03,104	**57,300**
Total assets		**1,86,159**	**1,34,322**
Equity and Liabilities			
Equity			
Equity share capital	11	1,024	1,024
Other equity	13	1,07,477	79,265
Total equity		**1,08,501**	**80,289**
Non-current liabilities			
Financial liabilities	20		
(i) Borrowings	14	13,541	15,815
(ii) Lease liabilities	15	189	-
Deferred tax liabilities	6	7,315	7,095
Provisions	16	1,086	1,037
		22,131	**23,947**
Current liabilities			
Financial liabilities	20		
(i) Borrowings	14	2,555	2,455
(ii) Lease liabilities	15	222	-
(iii) Trade payables	17		
(A) Total outstanding dues of micro enterprises and small enterprises		140	34
(B) Total outstanding dues other than micro enterprises and small enterprises		46,287	22,920
(iv) Other financial liabilities	18	2,244	2,591
Provisions	16	235	154
Current tax liabilities	6	2,187	367
Other current liabilities	19	1,657	1,565
Total Liabilities		**55,527**	**30,086**
		77,658	**54,033**
Total equity and liabilities		**1,86,159**	**1,34,322**
Notes 1 to 39 form an integral part of these consolidated financial statements			

In terms of our report attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

Sumesh E S
Partner
Membership No: 206931

Ramya Bharathram
Chief Financial Officer
(DIN : 06367352)
Place : Chennai
Date : 26 May 2022

R Parthasarathy
Managing Director
(DIN : 00092172)
Place : Ranipet
Date : 26 May 2022

R Ravishankar
Independent Director
(DIN : 01224361)
Place : Chennai
Date : 26 May 2022

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Group Chief Executive Officer
Place : Chennai
Date : 26 May 2022

Sanjay Sinha
Chief Executive Officer
Place : Chennai
Date : 26 May 2022

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2022

Place : Chennai
Date : 26 May 2022

Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	21	1,99,819	1,08,574
Other income	22	1,159	687
Total income		**2,00,978**	**1,09,261**
Expenses			
Cost of materials consumed	23	1,22,386	63,991
Purchase of stock-in-trade	23	404	643
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(2,987)	302
Employee benefits expense	25	7,413	5,338
Finance costs	26	2,037	2,091
Depreciation and amortisation expenses	3	5,663	4,952
Other expenses	27	28,525	16,231
Total expenses		**1,63,441**	**93,548**
Profit before tax		**37,537**	**15,713**
Tax expense	6		
- Current tax		9,208	4,067
- Deferred tax		206	(123)
Total tax expense		**9,414**	**3,944**
Profit for the year		**28,123**	**11,769**
Other comprehensive income:			
(A) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		975	(455)
		975	**(455)**
(B) Items that will not be reclassified to profit or loss			
- Re-measurements of defined benefit liabilities	16	(12)	(41)
- Equity instruments through other comprehensive income		1,307	5,619
- Income tax relating to items that will not be reclassified to profit and loss	6	72	(417)
		1,367	5,161
Other comprehensive income for the year, net of tax (A + B)		**2,342**	**4,706**
Total comprehensive income for the year		**30,465**	**16,475**
Earnings per equity share on Profit for the year	28		
Basic and diluted (in ₹)		27.46	11.49
Notes 1 to 39 form an integral part of these consolidated financial statements			

In terms of our report attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

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Place : Chennai
Date : 26 May 2022

Place : Mumbai
Date : 26 May 2022

Consolidated Statement of Changes in Equity for the year ended 31 March 2022

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

A. Equity Share Capital

As at 31 March 2022

Balance at the beginning of the year	Changes in Equity due to prior period errors	Restated balance at the beginning of the year	Changes in equity share capital during the current year	Balance at the end of the year
1,024	-	1,024	-	1,024

As at 31 March 2021

Balance at the beginning of the year	Changes in Equity due to prior period errors	Restated balance at the beginning of the year	Changes in equity share capital during the current year	Balance at the end of the year
1,024	-	1,024	-	1,024

B. Other Equity

As at 31 March 2022

Particulars	Reserves and Surplus			Retained earnings	Other reserves	Total other equity
	General reserve	Capital reserve on acquisition	Securities premium		Accumulated other comprehensive income	
Balances at 31 March 2020	**4,283**	**3,282**	1,971	**42,841**	**10,413**	**62,790**
Profit for the year	-	-	-	11,769	-	11,769
Other comprehensive income	-	-	-	-	4,706	4,706
Balances at 31 March 2021	**4,283**	**3,282**	1,971	**54,610**	**15,119**	**79,265**
Profit for the year	-	-	-	28,123	-	28,123
Dividend paid (relating to 2020-21)	-	-	-	(2,253)	-	(2,253)
Other comprehensive income	-	-	-	(9)	2,351	2,342
Balances at 31 March 2022	**4,283**	**3,282**	1,971	**80,471**	**17,470**	**1,07,477**
Notes 1 to 39 form an integral part of these consolidated financial statements						

In terms of our report attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/
N500013

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

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Company Secretary
(FCS: 3508)

Place : Chennai
Date : 26 May 2022

Place : Chennai
Date : 26 May 2022

Place : Chennai
Date : 26 May 2022

Place : Mumbai
Date : 26 May 2022

Consolidated statement of cashflow for the year ended 31 March 2022

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

		Year ended 31 March 2022	Year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Profit before tax	**37,537**	**15,713**
	Adjustments for:		
	Depreciation and amortisation expense	5,663	4,952
	Interest expense	2,037	2,091
	Interest income	(506)	(459)
	Dividend income from investments	(342)	(5)
	Provision for employee benefits	232	211
	Expected credit losses	-	910
	Profit on sale of property, plant and equipment, net	-	(7)
	Excess provisions/ sundry balances written back (net)	(189)	(5)
	Unrealised forex loss / (gain), net	(17)	37
	(Gain)/Loss on Foreign currency transliation	(23)	-
	Loss/(Gain) on fair valuation of derivatives	(53)	-
	Discount receivable	(257)	(181)
	Operating profit before working capital changes	**44,082**	**23,257**
	Changes in assets and liabilities:		
	Decrease/ (increase) in trade and other receivables	(6,711)	(661)
	Decrease/ (increase) in inventories	(10,985)	1,461
	Decrease/ (increase) in other financial assets	171	1,597
	Decrease/ (increase) in other assets	(2,633)	1,884
	(Decrease)/ increase in trade and other payables	23,188	(3,156)
	(Decrease)/ increase in provisions & other liabilities	(49)	1,013
	(Decrease)/ increase in other financial liabilities	507	563
	Cash generated from operations	**47,570**	**25,958**
	Direct tax paid (net)	(7,336)	(3,881)
	Net cash generated by operating activities	**40,234**	**22,077**
B.	**Cash flow from investing activities**		
	Sale of property, plant and equipment	-	1
	Capital expenditure on property, plant & equipment, capital work in progress and intangible assets including capital advances	(7,363)	(6,099)
	Interest received	427	459
	Sale/ (purchase) of investments (net)	(3,000)	(3,035)
	Dividend received	199	5
	Movement in balances with bank other than those mentioned in cash & cash equivalents	(4,149)	(7,064)
	Net cash used in investing activities	**(13,886)**	**(15,733)**
C.	**Cash flow from finance activities**		
	Repayment of borrowings (Also, refer note 15)	(2,455)	(1,339)
	Payment of lease liabilities	(445)	(252)
	Interest paid relating to long term borrowings	(1,092)	(1,309)
	Other interest paid	(772)	(923)
	Dividend refunded	-	26
	Dividend paid	(2,234)	-
	Net cash used in financing activities	**(6,998)**	**(3,797)**
D.	**Net cash inflows during the year**	**19,350**	**2,547**
E.	Cash and cash equivalents at the beginning	22,658	20,233
F.	Effect of exchange rate fluctuations on foreign currency cash and cash equivalents	480	(122)
G.	**G. Cash and cash equivalents at the end**	**42,488**	**22,658**
	Cash and cash equivalents comprise of:		
	Cash on hand	3	3
	Balances with banks - in current accounts	18,432	13,275
	Deposit accounts (with original maturity less than 3 months)	24,053	9,380
	Cash and cash equivalents as per note 11	**42,488**	**22,658**
Notes 1 to 39 form an integral part of these standalone financial statements			

In terms of our report attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 26 May 2022

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

Ramya Bharathram
Chief Financial Officer
(DIN : 06367352)
Place : Chennai
Date : 26 May 2022

R Parthasarathy
Managing Director
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Sanjay Sinha
Chief Executive Officer
Place : Chennai
Date : 26 May 2022

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2022

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

1. General Information

Thirumalai Chemicals Limited ('the Holding Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act. The Company and its subsidiaries (collectively 'the Group') are principally in the activities of manufacturing and selling chemicals. The shares of the Holding Company are listed on stock exchanges in India.

These consolidated financial statements were authorized for issue by the Holding Company's Board of Directors on 26 May 2022.

2. Summary of significant accounting policies

2.1. Basis of preparation of consolidated financial statements

The consolidated financial statements of the Group have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2016 (the "Act") and other relevant provisions of the Act.

These consolidated financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and financial liabilities (including derivative instruments), which are measured at fair value.

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Ind AS 110 - Consolidated Financial Statements, as specified in the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in the consolidated financial statements. These reclassifications were not significant and have no impact on the total assets, total liabilities, total equity and profit of the Group.

2.2 Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and all of its subsidiaries as listed below. The financial statements of the subsidiaries forming part of these consolidated financial statements are drawn up to 31 March 2022. All material inter-Company transactions and balances are eliminated on consolidation.

Name of the subsidiary	Country of incorporation	% of holding either directly or through subsidiary as at	
		31 March 2022	31 March 2021
Lapiz Europe Ltd. (Lapiz)	United Kingdom	100	100
Cheminvest Pte Ltd. (Cheminvest)	Singapore	100	100
Optimistic Organic Sdn Bhd. (OOSB)	Malaysia	100	100
TCL Global B.V.	Netherlands	100	100
TCL Inc.	USA	100	100
TCL Specialties LLC.	USA	100	100
TCL Intermediates Private Limited	India	100	-

Subsidiaries

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date the control ceases.

The financial statements of the Holding Company and its subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, equity, income and expenses, after fully eliminating intra-group transactions, intra-group balances, and resulting unrealised profits or losses, unless cost cannot be recovered, as per the applicable accounting standard. Accounting policies of the respective subsidiaries are aligned wherever necessary so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

Profit or loss of subsidiaries acquired or disposed during the year is recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

Excess of acquisition cost over the carrying amount of the Holding Company's share of equity of the acquiree at the date of acquisition is recognised as goodwill. In cases where the share of the equity in the acquiree as on the date of acquisition is in excess of acquisition cost, such excess of share in equity is recognised as 'Capital reserve on acquisition' and classified under 'Reserves and Surplus'.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (₹), which is also the functional currency of the Holding Company. All amounts have been rounded off to the nearest Lakhs, except share data and as otherwise stated.

2.4 Critical accounting estimates, assumptions and judgements

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities and disclosures as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods reported.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

2.4 Critical accounting estimates, assumptions and judgements (continued)

(i) Deferred income tax assets and liabilities

"Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

Change tax rate of holding Company

The Taxation Laws (Amendment) Act, 2019 has amended the Income-tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to the Holding Company to pay Income Tax at concessional rate of 22% plus applicable surcharge and cess, subject to certain specified conditions, as compared to the earlier rate of 30% plus applicable surcharge and cess for the assessment year 2020-21 onwards. The Holding Company had opted for the concessional tax rate for the year ended 31 March 2021 and accordingly re-measured deferred tax and current tax liability at such concessional rate."

(ii) Useful lives of property, plant and equipment ('PPE') and intangible assets

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

(iii) Employee benefit obligations

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Provisions and contingencies

From time to time, the Group is subject to legal proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgement is required when evaluating the provision including, the probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the financial statements. Contingent assets are not disclosed in the consolidated financial statements unless an inflow of economic benefits is probable.

(v) Recognition of property, plant and equipment (PPE) and Capital work in progress

Significant level of judgement is involved in assessing whether the expenditure incurred meets the recognition

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

criteria under Ind AS 16 Property, Plant and Equipment. Also estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

2.5 Foreign currency transaction and translation

a) Foreign Transactions

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in a foreign currency, are translated at the exchange rate prevailing on the Balance Sheet date and the resultant exchange gains or losses are recognised in the Statement of Profit and Loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

b) Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Holding Company's foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non controlling interest. When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the consolidated statement of income as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

2.6 Revenue from contracts with customers

To determine whether to recognise revenue from contracts with customers, the Group follows a 5-step process:

1. Identifying the contract with customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers for products sold and service provided is recognised when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 60-90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

These activity-specific revenue recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

(i) Sale of chemicals

Revenue from sale of chemicals is recognised when control of the product is transferred to the customer, being when the products are delivered, accepted and acknowledged by customers and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue from the sale is recognised based on the price specified in the contract, net of rebates and discounts.

(ii) Income from wind operated generators

Revenue from sale of power is recognised on the basis of electrical units generated and transmitted to the grid of Electricity Board which coincides with completion of performance obligation as per the agreement. Revenue is recognised using the transaction price as stipulated in the agreement with the customer.

(iii) Income from operating lease

Rental income from operating leases is recognised on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(iv) Sale of scrap

Revenue from sale of scrap is recognised as and when the control over the goods is transferred.

(v) Dividend and interest income

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

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

(vi) Export benefits

Export incentives are recognised as income as per the terms of the scheme in respect of the exports made and included as part of other operating income.

2.7 Property, plant and equipment

(i) Plant and equipment

Plant and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management. Plant and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses.

Major shutdown and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised until the asset is available for use. Revenue generated from production during the trial period is capitalised.

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss within other income or other expenses.

The components of assets are capitalised only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets.

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. The cost of property, plant and equipment includes non-refundable taxes, duties, freight, professional fees, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy based on Ind AS 23 – Borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets. Property, plant and equipment which are retired from active use and are held for disposal are stated at the lower of their net book value or net realizable value. Cost of property, plant and equipment not ready for the intended use as at balance sheet date are disclosed as "capital work-in-progress".

(ii) Land

Land (other than investment property) held for use in production or administration is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

(iii) Intangible assets

"Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The amortization of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated."

(iv) Impairment testing of intangible assets and property, plant and equipment

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

(v) Depreciation and amortization

Depreciation on property, plant and equipment is provided on straight line method and in the manner prescribed in Schedule II to the Companies Act, 2013, over its useful life specified in the Act, or based on the useful life of the assets as estimated by Management based on technical evaluation and advice. The residual value is generally assessed as 5% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Management's estimates of the useful life of various categories of fixed assets where estimates of useful life are lower than the useful life specified in Part C of Schedule II to the Companies Act, 2013 are as under:

Specific laboratory equipments	5 years
Office equipments (mobile phones)	2 years
Catalyst	2 years and 4 months

2.8 Research and development expenses

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

Expenditure incurred on property, plant and equipment used for research and development is capitalised and depreciated in accordance with the depreciation policy of the Group.

2.9 Leases

(a) The Group as a lessee

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option.

The Group at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-l-line basis over the lease term. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Group applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Group would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

(b) The Group as a lessor

Leases under which the Group is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

2.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss or amortised cost.

Financial instruments are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a. Amortised cost

b. Fair value through other comprehensive income (FVOCI) or

c. Fair value through profit and loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

a. Financial assets at amortised cost

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortised cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

b. Financial assets at fair value through other comprehensive income (FVOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading.

These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

c. Financial assets at fair value through profit and loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in profit and loss.

d. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss:

This category are primarily derivative financial assets or liabilities which are not designated as hedges. Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments.

Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

2.11 Inventories

(i) Raw materials

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

(ii) Work in progress and finished goods

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

(iii) Stores and Spares

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

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

2.12 Post-employment benefits and short-term employee benefits

Defined contribution plan

Contribution to Provident Fund in India and other defined contribution plans in the other entities of the Group are in the nature of defined contribution plan and are made to a recognised fund.

Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to insurance Company in accordance with the scheme framed by the Corporation.

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

(i) Provident fund

The Holding Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognised as an expense in the period in which it falls due. The Holding Company's step down subsidiary, OOSB, makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period which the related service is performed.

(ii) Other funds

The Group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

(iii) Superannuation fund

Contribution made towards Superannuation Fund (funded by payments to an insurance Company) which is a defined contribution plan, is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

Defined benefit Plan

Under the Group's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The defined benefit funds maintained by the Group are as below

(i) Gratuity

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Group estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

(ii) Leave salary - compensated absences

The Group also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

Overseas entities

Defined contribution

The Group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Defined benefit liability

The Group estimates the defined benefit liability annually. The actual outcome may vary due to estimation uncertainties. The estimate of its defined benefit liability is based on standard rates of inflation, medical cost trends and mortality. It also takes into account the Group's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Estimation uncertainties exist particularly with regard to medical cost trends, which may vary significantly in future appraisals of the Group's defined benefit obligations.

2.13 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

2.14 Earnings per equity share

Basic earnings per equity share is calculated by dividing the total profit for the period attributable to equity

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

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

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

2.15 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

(i) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. While determining the tax provisions, the Group assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending the nature and circumstances of each uncertain tax position.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

(ii) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

2.15 Income tax (Continued)

(ii) Deferred income tax (Continued)

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.16 Contingent liabilities and provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote.

The Group does not recognise contingent assets unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the consolidated financial statements.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of 3 months or less, as applicable.

Summary of significant accounting policies and other explanatory information

(All amounts are in Lakhs of Indian Rupees (₹), unless otherwise stated)

3 a) Property, plant and equipment, Intangible assets, Capital work-in-progress and Right of use assets.

Particulars	Property, plant and equipment											Intangible assets
	Freehold land	Buildings and roads	Plant and equipment	Wind operated generators	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Total	Capital Work-in-progress	Right of use assets	Computer software
Gross block												
Balance as at 01 April 2020	**7,074**	**2,174**	**54,235**	**571**	**146**	**192**	**198**	**136**	**64,726**	**8,209**	**3,234**	**101**
Additions	-	-	1,439	-	12	30	18	25	1,524	5,487	252	3
Transfer on capitalisation	-	-	-	-	-	-	-	-	-	(1,126)	-	
Disposals	-	-	(82)	-	-	(10)	-	-	(92)	-	-	-
Exchange fluctuations	-	(32)	(862)	-	(1)	(2)	(2)	-	(899)	-	(29)	-
Balance as at 31 March 2021	**7,074**	**2,142**	**54,730**	**571**	**157**	**210**	**214**	**161**	**65,259**	**12,570**	**3,457**	**104**
Additions	-	26	356	-	10	9	37	36	474	5,915	803	6
Transfer on capitalisation	-	840	11,232	-	15	-	10	24	12,121	(12,121)	-	
Disposals	-	-	-	-	-	-	-	(77)	(77)	-	-	-
Exchange fluctuations	-	40	1,068	-	1	3	3	-	1,115	-	29	-
Balance as at 31 March 2022	**7,074**	**3,048**	**67,386**	**571**	**183**	**222**	**264**	**144**	**78,892**	**6,364**	**4,289**	**110**
Accumulated depreciation/ amortisation												
Balance as at 01 April 2020	**-**	**382**	**12,108**	**140**	**60**	**78**	**90**	**77**	**12,935**	**-**	**65**	**69**
Depreciation/amortisation for the year	-	148	4,586	35	13	33	31	34	4,880	-	49	23
Reversal on disposal of assets	-	-	(69)	-	-	(10)	-	-	(79)	-	-	-
Exchange fluctuations	-	(9)	(363)	-	-	(1)	(1)	-	(374)	-	(6)	-
Balance as at 31 March 2021	**-**	**521**	**16,262**	**175**	**73**	**100**	**120**	**111**	**17,362**	**-**	**108**	**92**
Depreciation / amortisation for the year	-	237	5,002	35	14	29	32	30	5,379	-	272	12
Reversal on disposal of assets	-	-	-	-	-	-	-	(75)	(75)	-	-	-
Exchange fluctuations	-	15	532	-	-	2	2	-	555	-	2	-
Balance as at 31 March 2022	**-**	**773**	**21,796**	**210**	**87**	**131**	**154**	**66**	**23,217**	**-**	**382**	**104**
Net block												
Balance as at 31 March 2021	7,074	1,621	38,468	396	84	110	94	50	47,897	12,570	3,349	12
Balance as at 31 March 2022	**7,074**	**2,275**	**45,590**	**361**	**96**	**91**	**110**	**78**	**55,675**	**6,364**	**3,907**	**6**

Notes:

(i) Of the above, both movable & immovable property, plant and equipment of the Holding Company has been pledged as collateral for term loan from bank (Also, refer note 14).

(ii) For contractual commitment with respect to property, plant and equipment refer Note 35 (b).

(iii) The lease liabilities arising out of addition to Right of use asset has been fully paid at the inception of the respective leases,for assets other than those mentioned in note 36.

(iv) (iv) Additions to Capital work-in-progress includes interest of ₹ 30 Lakhs (31 March 2021 ₹ 194 Lakhs) on borrowings specifically attributable to the project , which is capitalised as per Ind As 23 (Also Refer note 26).

b) Capital Work-in-progress - ageing

i) As at 31 March 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	6,068	296	-	-	6,364
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**6,068**	**296**	**-**	**-**	**6,364**

ii) As at 31 March 2021

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	7,975	4,595	-	-	12,570
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**7,975**	**4,595**	**-**	**-**	**12,570**

4. Investments

	31 March 2022	31 March 2021
I. Non-current investments		
Investments designated at FVOCI		
Investments in equity instruments		
Quoted		
5,000 (31 March 2021: 5,000) equity shares of Neyveli Lignite Corporation Limited at ₹ 10 each fully paid up	3	3
1,410 (31 March 2021: 1,410) equity shares of Piramal Enterprises Limited at ₹ 2 each fully paid up	31	25
500 (31 March 2021: 500) equity shares of Tata Power Limited at ₹ 1 each fully paid up	1	1
3,956,730 (31 March 2021: 3,956,730) equity shares of Ultramarine and Pigments Limited at ₹ 2 each fully paid up	12,865	11,566
Total non-current investments	**12,900**	**11,595**
Aggregate amount of:		
- Quoted investments and market value thereof :	12,900	11,595

II. Current investments		
Investments in mutual funds designated at FVTPL		
Quoted		
SBI Liquid Fund- Direct Plan -(Current year 192,836 Units; Previous year 192,836 Units)	2,074	2,005
ICICI Prudential Ultra Short Term Fund-(Current year 6,437,888 Units; Previous year Nil)	1,539	-
HDFC Ultrashort Term Fund-(Current year 12,364,295 Units; Previous year Nil)	1,535	-
Total current investments	**5,148**	**2,005**
Aggregate amount of:		
- Quoted investments and market value thereof;	5,148	2,005

5. Other financial assets

(Unsecured, considered good unless and otherwise stated)	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Security deposits				
- Unsecured, considered good	248	-	204	-
- Unsecured, considered doubtful	16	-	16	-
Less: Allowances for expected credit loss	(16)	-	(16)	-
Staff advances	-	55	-	44
Receivable from supplier	-	255	-	169
Derivative asset	-	53	-	-
Claims receivable	-	2	-	12
Others	-	72	-	108
	248	**437**	**204**	**333**

Notes:

(a) There are no financial assets due from directors or other officers of the Group.

(b) The carrying amount of cumulative other financial assets are considered as a reasonable approximation of fair value and adequate allowances for losses have been provided.

(c) A description of the Group's financial instrument risks, including risk management objectives and policies are given in note 20.

6. Income tax

	As at 31 March 2022	As at 31 March 2021
I. Income tax assets (net)		
Taxes paid in advance (net)	1,034	1,137
	1,034	**1,137**
II. Current tax liabilities (net)		
Income tax liabilities (net)	2,187	367
	2,187	**367**
III. Amounts recognised in profit or loss	**Year ended**	**Year ended**
Current tax*	**31 March 2022**	**31 March 2021**
Current period	9,208	4,067
Total current tax expense	**9,208**	**4,067**
Deferred tax attributable to		
Origination and reversal of temporary differences	206	124
Unused tax credits	-	578
Decrease in tax rate	-	(825)
Total deferred tax expense	**206**	**(123)**
Income tax expense	**9,414**	**3,944**

*Also refer note 2.4 (i) for new tax rate adopted by holding company during the year ended 31 March 2021.

IV. Amounts recognised in other comprehensive income

	Year ended 31 March 2022			Year ended 31 March 2021		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
- Exchange differences on translation of foreign operations	975	-	975	(455)	-	(455)
- Re-measurements of defined benefit plans	(12)	3	(9)	(41)	10	(31)
- Equity instruments through other comprehensive income, net	1,307	69	1,376	5,619	(427)	5,192
	2,270	**72**	**2,342**	**5,123**	**(417)**	**4,706**

IV. Reconciliation of effective tax rate

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Holding Company at 25.17% (2020-21: 25.17%) and the reported tax expense in the consolidated statement of profit and loss are as follows:

	Year ended 31 March 2022		Year ended 31 March 2021	
Profit before tax		37,537		15,713
Tax using the Holding Company's domestic tax rate	25.17%	9,448	25.17%	3,955
Effect of:				
Income exempt from tax	0.00%	-	-0.06%	(9)
Deductions allowed under income tax	-0.16%	(59)	0.00%	-
Expenses disallowed for tax purpose	0.69%	259	1.27%	199
Difference between Indian and Foreign taxes	-0.62%	(231)	0.31%	49
Unused tax credit written off	0.00%	-	2.97%	467
Re-measurement of Deferred tax due to decrease in tax rates	0.00%	-	-5.25%	(825)
Excess provision for previous year	-0.11%	(43)	0.79%	124
Others	0.11%	40	-0.10%	**(16)**
Actual tax expense	**25.08%**	**9,414**	**25.10%**	**3,944**

V. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets)/ liability	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Provisions - employee benefits	(332)	(300)	-	-	(332)	(300)
Provisions - others	(259)	(264)	-	-	(259)	(264)
Tax on unrealised profits	(295)	(139)	-	-	(295)	(139)
Revaluation of assets	-	-	2,504	1,030	2,504	1,030
Property, plant and equipment	-	-	5,654	7,061	5,654	7,061
Tax on carried forward capital loss	(44)	(227)	-	-	(44)	**(227)**
Translation differences	(4)	14	91	(80)	87	**(66)**
Deferred tax (assets)/ liabilities	**(934)**	**(916)**	**8,249**	**8,011**	**7,315**	**7,095**

In assessing the recoverability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. All deferred tax assets have been recognized in the balance sheet.

7. Other assets

	As at 31 Marche 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
a) Capital advances	2,416	-	76	-
b) Advances other than capital advances				
i) Supplier advances				
- Considered good	-	1,465	-	579
- Considered doubtful	-	-	-	9
Less : Allowances for bad and doubtful advances	-	-	-	(9)
c) Others				
i) Balance with Government authorities	-	774	-	1,412
ii) Prepaid expenses	457	413	130	210
iII) Others	48	62	52	25
	2,921	**2,714**	**258**	**2,226**

All of the Group's other current and non-current assets have been reviewed for indicators of impairment, and adequate allowances for losses have been provided.

8. Inventories

(valued at lower of cost and net realisable value)

	As at 31 March 2022	As at 31 March 2021
Raw materials	15,434	8,488
Work-in-progress	1,851	989
Finished goods	3,428	2,087
Stock-in-trade	849	65
Stores and spares	2,190	1,229
Fuel	194	103
Packing materials	250	189
	24,196	**13,150**
Note		
(i) Goods-in-transit included above are as below :		
a. Raw materials	1,610	-
b. Finished goods	1,945	1,132

9. Trade receivables

	As at 31 March 2022	As at 31 March 2021
Current		
Unsecured		
(a) Considered good	15,620	8,720
(b) Trade Receivables – credit impaired	1,012	1,025
	16,632	**9,745**
Allowance for expected credit loss:		
(a) Trade Receivables – credit impaired	(1,012)	(1,025)
	(1,012)	**(1,025)**
Net trade receivables	**15,620**	**8,720**
Notes:		
(i) Movement in allowance for expected credit loss	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Balance at the beginning of the year	**1,025**	**130**
Amounts written off	-	-
Allowance during the year	-	1,009
Reversal during the year	(13)	(114)
Balance at the end of the year	**1,012**	**1,025**

(ii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as it is expected to be collected within twelve months.

(iii) The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 20.

(iv) The Group has also considered credit information of its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Group believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, is adequate.

Trade receivables ageing as on 31 March 2022

Particulars	Out standing for the following period from the date of due date						Total
	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade Receivables considered good	12,981	2,448	107	84	-	-	15,620
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	1,012	-	-	**1,012**
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
Total	**12,981**	**2,448**	**107**	**1,096**	**-**	**-**	**16,632**

Trade receivables ageing as on 31 March 2021

Particulars	Out standing for the following period from the date of due date						Total
	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade Receivables considered good	7,559	1,076	85	-	-	-	**8,720**
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables - credit impaired	-	-	995	18	12	-	**1,025**
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	**-**
Total	**7,559**	**1,076**	**1,080**	**18**	**12**	**-**	**9,745**

10. Cash and bank balances

	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Balance with banks in current accounts	18,432	13,275
Cash on hand	3	3
Deposit accounts (with original maturity less than 3 months)	24,053	9,380
Cash and cash equivalents as per statement of cash flows	**42,488**	**22,658**
Bank balances other than mentioned in cash and cash equivalents		
Unpaid dividend (Refer note below)	130	111
Deposit accounts (with original maturity greater than 3 months upto 12 months)	7,659	7,718
Balances with bank held as margin money	4,712	379
	12,501	**8,208**
Total	**54,989**	**30,866**

i) Unpaid dividend included above represent amounts to be credited to the Investors Education and Protection Fund as and when they become due. There are no delays in transferring the amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

ii) Unpaid interest on matured deposits included in Cash and cash equivalents is ₹ Nil Lakhs (31 March 2021: ₹ 10 Lakhs)

11. Equity share capital

	As at 31 March 2022		As at 31 March 2021	
Authorised	**Number**	**₹ in Lakhs**	**Number**	**₹ in Lakhs**
Equity shares of ₹ 1 each	15,00,00,000	1,500	15,00,00,000	1,500
Unclassified shares of ₹ 10 each	1,00,00,000	1,000	1,00,00,000	1,000
	16,00,00,000	**2,500**	**16,00,00,000**	**2,500**
Issued				
Equity shares of ₹ 1 each	10,24,28,120	1,024	10,24,28,120	1,024
	10,24,28,120	**1,024**	**10,24,28,120**	**1,024**
Subscribed and fully paid-up				
Equity shares of ₹ 1 each	10,23,88,120	1,024	10,23,88,120	1,024
Add: Amount paid up on forfeited shares (Also, refer note e)	40,000	-	40,000	-
	10,24,28,120	**1,024**	**10,24,28,120**	**1,024**

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

b) Terms/ rights attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 1 per share. The Holding Company declares and pays dividends in Indian Rupees (₹). The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which is approved by the Board of Directors. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be proportional to the number of equity shares held by the shareholders.

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

	As at 31 March 2022		As at 31 March 2021	
	Number	**% holding**	**Number**	**% holding**
Equity shares of ₹ 1 each				
Ultramarine and Pigments Limited	2,04,51,770	19.97%	2,04,51,770	19.97%
Jasmine Limited	67,71,880	6.61%	67,54,050	6.59%
	2,72,23,650	**26.58%**	**2,72,05,820**	**26.56%**

d) Disclosure of shareholding of promoters

Promoter name	As at 31 March 2022			As at 31 March 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Ultramarine & Pigments Limited	2,04,51,770	19.97%	0.00%	2,04,51,770	19.97%	0.00%
Jasmine Limited	67,71,880	6.61%	0.26%	67,54,050	6.59%	0.00%
Sujata Sampath Family Trust	29,44,655	2.87%	100.00%	-	0.00%	0.00%
Sampath Family Trust	29,44,655	2.87%	100.00%	-	0.00%	0.00%
Parthasarathy Rangaswamy	24,28,811	2.37%	1.27%	23,98,330	2.34%	0.00%
Bhooma Parthasarathy	23,33,950	2.28%	0.00%	23,33,950	2.28%	0.00%
Indira Sundarrajan	18,69,210	1.82%	0.00%	18,69,210	1.82%	0.00%
Tara Parthasarathy	7,32,330	0.69%	-1.42%	7,32,330	0.70%	0.00%
Meera Parthasarathy	6,92,730	0.68%	0.00%	6,92,730	0.68%	0.00%
Vidhya S	4,78,130	0.47%	0.00%	4,78,130	0.47%	2.14%
Varadharajan S	4,45,205	0.43%	22.35%	3,63,880	0.36%	0.00%
Ramya Bharathram	2,99,120	0.29%	1.53%	2,94,620	0.29%	0.00%
Narayan S	2,79,526	0.27%	41.03%	1,98,201	0.19%	0.00%
Deepa Ajay	1,46,290	0.14%	134.06%	62,500	0.06%	0.00%
Sundararajan V S	58,730	0.06%	0.00%	58,730	0.06%	0.00%
Uttara B	40,000	0.04%	0.00%	40,000	0.04%	0.00%
Sampath R	20,000	0.02%	-99.32%	29,54,655	2.88%	0.34%
Bharathram V	15,000	0.01%	50.00%	10,000	0.01%	0.00%
Sujata Sampath	10,000	0.01%	-99.66%	29,54,655	2.88%	0.34%
Vidya Family Trust	9,750	0.01%	100.00%	-	0.00%	0.00%
Ramya Family Trust	8,800	0.01%	100.00%	-	0.00%	0.00%
Geetha S	-	0.00%	-100.00%	2,46,440	0.24%	0.00%
Kala Sundarveda	-	0.00%	-100.00%	2,000	0.00%	0.00%
	4,29,80,542	**41.94%**		**4,28,96,181**	**41.87%**	

e) The Company had forfeited 40,000 equity shares of ₹ each (31 March 2021: 40,000 equity shares of ₹ 1 each) on which amount originally paid up was ₹ 22,500.

f) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31 March 2022.

g) Details of dividend declared:

	Year ended 31 March 2022	Year ended 31 March 2021
Date of meeting of board of directors	26-May-21	-
Dividend per share	₹ 2.20	-
Cash outflow in Lakhs	2,253	-

The board of directors of the Holding Company, in its meeting on 26 May 2022, has recommended a final dividend of ₹ 2.50 per equity share for the financial year ended 31 March 2022. The recommendation is subject to the approval of shareholders at the annual general meeting and if approved would result in a cash out flow of approximately ₹ 2,560 Lakhs.

12. Capital management policies and procedures

The Group's capital management objectives are to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure it has sufficient available funds for business requirements. There are no imposed capital requirements on the Group, whether statutory or otherwise.

The Group monitors capital using a ratio of 'net debt' to 'equity'. Net Debt is calculated as total borrowings (shown in note 14), less cash and cash equivalents.

The Company's net debt to equity ratio as at 31 March 2022 is as follows:

	As at 31 March 2022	As at 31 March 2021
Total borrowings	16,096	18,270
Less: Cash and cash equivalents	(42,488)	(22,658)
Net Debt / (Cash position)	**(26,392)**	**(4,388)**
Total equity	**1,08,501**	**80,289**
Net Debt to equity ratio	**-24.32%**	**-5.47%**

13. Other equity

	As at 31 March 2022	As at 31 March 2021
I. Reserves and Surplus		
(a) Securities premium	1,971	1,971
(b) Capital reserve on acquisition	3,282	3,282
(c) General reserve	4,283	4,283
(d) Retained earnings	80,471	54,610
Total Surplus	**90,007**	**64,146**
II. Other reserves		
(d) Accumulated other comprehensive income	17,470	15,119
	17,470	**15,119**
III. Total other equity (I+II)	**1,07,477**	**79,265**
(a) Securities premium		
Balance at the beginning of the year	1,971	1,971
Add: Additions made during the year	-	-
Balance at the end of the year	**1,971**	**1,971**
Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.		
(b) Capital reserve on acquisition		
Balance at the beginning of the year	**3,282**	**3,282**
Add : Additions made during the year	**-**	**-**
Balance at the end of the year	**3,282**	**3,282**
(c) General reserve		
Balance at the beginning of the year	4,283	4,283
Add: Additions made during the year	-	-
Balance at the end of the year	**4,283**	**4,283**
General reserve represents an appropriation of profits by the Group, which can be utilised for purposes such as dividend payout etc.		

(d) Retained earnings		
Balance at the beginning of the year	54,610	42,841
Add : Transfer from statement of profit and loss	28,123	11,769
Less : Final dividend	(2,253)	-
Less : Other comprehensive income	(9)	-
Balance at the end of the year	**80,471**	**54,610**
Retained earnings comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc.		
(e) Accumulated other comprehensive income		
Balance at the beginning of the year	15,119	10,413
Add : Movement during the year	2,351	4,706
Balance at the end of the year	**17,470**	**15,119**

i) Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

ii) The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised,

14. Borrowings (measured at amortised cost)

	As at 31 March 2022	As at 31 March 2021
Secured		
Term loan from banks (refer note (i) & (ii) below)	10,096	12,518
	10,096	**12,518**
Unsecured		
Term loans from others (refer note (iii) below)	6,000	5,752
	6,000	**5,752**
Total non-current borrowings	**16,096**	**18,270**
Less: Current maturities of long-term loan from banks	2,555	2,455
Non-current borrowings (as per balance sheet)	**13,541**	**15,815**

Notes:

(i) (a) The term loan of ₹ 6,015 Lakhs drawn from IDFC First bank is repayable in 24 equal quarterly instalments of ₹ 251 Lakhs, starting from 31 October 2020. The outstanding as on 31 March 2022 is ₹ 4,511 Lakhs (PY is ₹ 5,514 Lakhs).

(b) The term loan of ₹ 1,005 Lakhs drawn from IDFC First bank is repayable in 20 equal quarterly instalments of ₹50 Lakhs, starting from 31 October 2021. The outstanding as on 31 March 2022 is ₹ 905 Lakhs (PY is ₹ 1,005 Lakhs).

(c) The term loan of ₹ 6,930 Lakhs drawn from Axis bank, is repayable in 20 equal quarterly instalments of ₹ 338 Lakhs starting from 30 November 2020. The outstanding as on 31 March 2022 is ₹ 4,740 Lakhs(PY is ₹ 6,092 Lakhs).

(d) Current portion due for repayment within one year is ₹ 2,555 Lakhs (PY ₹ 2,455 Lakhs).

(ii) The above borrowing is secured by way of first charge on the movable & immovable property, plant and equipment of the Holding Company.

(iii) Term loan from others is repayable by the subsidary company OOSB over 8 half yearly instalments, with the first instalment falling due on August 2024 and bears a fixed interest rate of 2%

(iv) Reconcliation of movement of liabilities to cash flows arising from financing activities:

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	**18,270**	**19,709**
A) Changes from financing cash flows		
(i) Proceeds from borrowings	-	-
(ii) Transaction costs related to borrowings	-	-
(iii) Repayment of borrowings	(2,455)	(1,339)
Total changes from financing cash flows	**(2,455)**	**(1,339)**
B) Other changes		
(i) Interest paid	(1,092)	(1,309)
(ii) Interest accrued	1,192	1,356
(iil) Effect in changes in foreign exchange rates	181	(147)
Total other changes	**281**	**(100)**
Balance at the end of the year	**16,096**	**18,270**

15. Lease Liabilities

	As at 31 March 2022	As at 31 March 2021
Current	222	-
Non Current	189	-
Total	**411**	**-**

16. Provisions

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Provisions for employee benefits				
(i) Gratuity	842	127	762	107
(ii) Compensated absences	244	108	275	47
	1,086	**235**	**1,037**	**154**

Provision for employee benefits

i) Gratuity

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

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

	As at 31 March 2022	As at 31 March 2021
Change in present value of projected benefit obligation		
Present value of benefit obligation at the beginning of the year	869	759
Interest cost	57	50
Current service cost	78	67
Benefits paid	(47)	(48)
Actuarial (gain)/ loss	12	41
Projected benefit obligation at the end of the year	**969**	**869**
Thereof		
Unfunded	**969**	**869**
Components of net gratuity costs are:		
Current service cost	78	67
Interest cost	57	50
Net gratuity costs recognised in the income statement (Also, refer note 25)	**135**	**117**
Actuarial (gain)/ loss recognised in other comprehensive income	12	41
Principal actuarial assumptions used:		
a) Discount rate	6.84%	6.49%
b) Long-term rate of compensation increase	10.00%	10.00%
c) Average future service	7 years	7 years
d) Attrition rate	10.00%	10.00%
e) Mortality table	Indian assured lives mortality (2012-14) urban	Indian assured lives mortality (2006-08) ultimate

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

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2022	127	113	350	331	921
31 March 2021	107	70	299	307	783

Sensitivity Analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2022						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	-0.50%
Impact on defined benefit obligation	(6)	7	(29)	31	30	(28)
31 March 2021						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	-0.50%
Impact on defined benefit obligation	(7)	7	(28)	30	29	(28)

ii) Compensated absences

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

Principal actuarial assumptions used :	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	6.84%	6.49%
Long-term rate of compensation increase	10.00%	10.00%
Average remaining life	7 years	7 years
Attrition rate	10.00%	10.00%

17. Trade payables

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (Also, refer note (b) below)	140	34
Total outstanding dues other than micro enterprises and small enterprises	46,287	22,920
	46,427	**22,954**

Trade payables ageing as on 31 March 2022

Particulars	Not due	Out standing for the following period from the date of due date				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	139	-	-	1	-	**140**
(ii) Others	29,095	17,156	11	22	3	**46,287**
(iii) Disputed MSME	-	-	-	-	-	**-**
(iv) Disputed Others	-	-	-	-	-	**-**
Total	**29,234**	**17,156**	**11**	**23**	**3**	**46,427**

Trade payables ageing as on 31 March 2021

Particulars	Not due	Out standing for the following period from the date of due date				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) MSME	34	-	-	-	-	**34**
(ii) Others	15,781	7,103	15	19	2	**17,420**
(iii) Disputed MSME	-	-	-	-	-	**-**
(iv) Disputed Others	-	-	-	-	-	**-**
Total	**15,815**	**7,103**	**15**	**19**	**2**	**22,954**

b) **According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Holding Company has amounts due to Micro and Small Enterprises under the said Act as follows :**

		As at 31 March 2022	As at 31 March 2021
i)	Principal amount remaining unpaid	140	34
ii)	Interest paid by the Holding Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv)	The amount of interest due accrued and remaining unpaid at the end of each accounting year.	0.59	0.67
v)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	0.59	0.67

18. Other financial liabilities

Employee related payables	531	600
Capital creditors	453	1,245
Directors remuneration payable (Refer note 32 (c))	791	559
Unpaid dividend	130	111
Other payables	339	76
Total financial liabilities	**2,244**	**2,591**

Notes:

(i) Unpaid dividend included above represent amounts to be credited to the Investors Education and Protection Fund as and when they become due. There are no delays in transferring the amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

(ii) Unpaid interest on matured deposits included in Cash and cash equivalents is ₹ Nil (31 March 2021: ₹ 10 Lakhs).

(iii) The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 20.

19. Other current liabilities

Deposits from service providers (Also, refer note 32 (c))	84	42
Statutory dues	352	509
Revenue received in advance	1,175	974
Other payables	46	40
	1,657	**1,565**

20. Disclosures on financial instruments

I. Financial instruments by category

	As at 31 March 2022			As at 31 March 2021		
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
Financial assets						
Investments						
- Equity instruments*	-	-	12,900	-	-	11,595
- Mutual funds	-	5,148	-	-	2,005	-
Trade receivables	15,620	-	-	8,720	-	-
Cash and bank balances	54,989	-	-	30,866	-	-
Foreign currency forward contracts	-	53	-	-	-	-
Other financial assets	632	-	-	537	-	-
Total financial assets	**71,241**	**5,201**	**12,900**	**40,123**	**2,005**	**11,595**
Financial liabilities						
Borrowings	16,096	-	-	18,270	-	-
Trade payables	46,427	-	-	22,954	-	-
Other financial liabilities	2,244	-	-	2,591	-	-
Total financial liabilities	**64,767**	**-**	**-**	**43,815**	**-**	**-**

*Represents the equity securities which are not held for trading, and for which the Group has made an irrecovable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Group considers this classification to be more relevant.

II. Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents fair value of hierarchy of assets measured at fair value as on 31 March 2022:

	Total	As at 31 March 2022		
		Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
FVOCI financial investments				
Quoted equity instruments	**12,900**	12,900	-	-
FVTPL financial investments				
Quoted Mutual funds	**5,148**	5,148	-	-
Derivative financial assets				
Forward contracts	**53**	-	-	53

	Total	As at 31 March 2021		
		Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
FVOCI financial investments				
Quoted equity instruments	**11,595**	11,595	-	-
FVTPL financial investments				
Quoted Mutual funds	**2,005**	2,005	-	-
Derivative financial assets				
Forward contracts	**-**	-	-	-

Notes:

(i) **Level 1:** level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

(ii) **Level 2:** level 2 hierarchy includes mutual funds. The mutual funds are valued using the closing NAV provided by the fund management Company at the end of each reporting year.

(iii) **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for:

• Foreign currency options contract - the fair value of options contracts is determined using the Black Scholes valuation model.

(iv) The Group has not disclosed the fair values for loans, cash and bank balances, trade receivables, other financial assets, trade payables, and other financial liabilities because their carrying amounts are a reasonable approximation to the fair values.

(v) There have been no transfers between levels 1 and 2 during the year.

III. Financial risk management

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Group's senior management which is supported by a Treasury Team manages these risks. The Treasury Team advises on financial risks and the appropriate financial risk governance framework in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by the Treasury Team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The notes below explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Investments, trade receivables, cash and bank balances, loans, other financial assets	"Ageing analysis Credit ratings"	Diversification of bank deposits, and credit limits
Liquidity risk	Trade and other payables, other financial liabilities	Cash flow forecasts	Receivable management, availability of commited credit lines and borrowing facilities
Market risk - interest rate	Long term Borrowings	Sensitivity analysis	NA
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian Rupee (₹)	Sensitivity analysis	"Forward foreign exchange contracts Foreign currency options"
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

A. Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables.

Trade receivables

IIn respect of trade receivables, the Group is not exposed to any significant credit risk exposure with any single counterparty or any group of counterparties having similar characteristics other than those disclosed in note 9. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management considers the credit quality of trade receivables that are not past due or impaired to be good.

Loss allowance for trade receivables are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Cash and bank balances and investments

The credit risk for cash and cash equivalents, fixed deposits and mutual funds are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets

Other financial assets mainly comprises of security deposits which are given to customers or other governmental agencies, receivable from insurance Company & suppliers in relation to contracts executed and are assessed by the Company for credit risk on a continuous basis.

B. Liquidity risk

Liquidity risk is that the Group will not be able to meet its obligations as they become due. The objective of liquidity risk management is to maintain suffcient liquidity and ensure that funds are available for use as and when required. The treasury team's risk management policy includes an appropriate liquidity risk management framework for the management of the short term, medium-term and long term funding and cash management requirements. The Group manages the liquidity risk by maintaining adequate cash reserves, committed credit facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within 60 to 90 days based on the credit period.

The following are the remaining contractual maturities of financial liabilities at the reporting date:

	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
As at 31 March 2022				
Borrowings	1,659	1,607	15,014	-
Trade and other payables	46,427	-	-	-
Other financial liabilities	2,244	-	-	-
Total	**50,330**	**1,607**	**15,014**	**-**
As at 31 March 2021				
Borrowings	1,716	1,760	17,722	614
Trade and other payables	22,954	-	-	-
Other financial liabilities	2,591	-	-	-
Total	**27,261**	**1,760**	**17,722**	**614**

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Group's main exposure to interest risk arises from long term borrowing with floating rate. The Group does not have any derivatives to hedge its interest rate risk exposure as at 31 March 2022.

Interest rate sensitivity analysis

The table below summarises the impact of increase /decrease of the interest rates at the reporting date, on the Group's equity and profit for the period. The analysis is based on the assumption of +/- 1% change.

	Profit before tax		Equity before tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2022				
Term loan from bank	9	(9)	9	(9)
As at 31 March 2021				
Term loan from bank	11	(11)	11	(11)

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which revenues and purchases are denominated, and the respective functional currency of the Group Companies. The functional currency of the Group Companies are primarily the Indian Rupee (₹) and US Dollars (USD). The currency in which these transactions are primarily denominated are in Indian Rupee (₹), US dollars (USD) and Euro (EUR).

Derivative financial instruments

The Group holds foreign currency options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on Black Scholes model. Options contracts are mainly entered into for net foreign currency exposures that are not expected to be offset by other same currency transactions.

The Company's exposure to foreign currency risk in USD at the end of the reporting period expressed in Indian Rupees as follows:

	31 March 2022	31 March 2021
	₹ in Lakhs	₹ in Lakhs
Financial assets		
Trade receivables	2,060	247
Cash and bank balances	2,840	717
Other financial assets	53	-
Financial liabilities		
Trade and other payables	464	229
Net assets/ (liabilities)	4,489	**735**

The details in respect of outstanding foreign currency options contracts are as follows:

	As at 31 March 2022		As at 31 March 2021	
	USD in Millions	₹ in Lakhs	USD in Millions	₹ in Lakhs
Forward contract in USD - Buy option	4.50	3,411	-	-
Forward contract in USD - Sell option	3.50	2,653	-	-

The foreign exchange foward contracts mature within 12 months. ₹ figures above have been calculated based on spot rates as at the reporting periods. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the Balance Sheet date (amount in millions of USD):

	As at 31 March 2022		As at 31 March 2021
	Buy	Sell	
Not later than one month	-	0.75	-
Later than one month and not later than three months	4.50	0.75	-
Later than three months and not later than one year	-	2.00	-
Total	**4.50**	**3.50**	**-**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee (₹) against USD at 31 March would have affected the measurement of financial instruments denominated in such foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and also assumes a +/- 1% change of the INR /USD exchange rate at '31 March 2022 (31 March 2021: 1%). If the INR had strengthened against the USD by 1% during the year ended '31 March 2022 (31 March 2021: 1%) during the year ended '31 March 2022 (31 March 2021: 1%) respectively then this would have had the following impact profit before tax and equity before tax:

	Profit before tax		Equity before tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2022				
USD	51.94	(51.94)	51.94	(51.94)
As at 31 March 2021				
USD	7.34	(7.34)	7.34	(7.34)

Price risk

Equity price risk is related to the change in market price of the investments in quoted equity securities. The Group's exposure to equity security prices arises from investments held by the Group and classified in the balance sheet as FVOCI. In general, these investments are strategic investments and are not held for trading purposes. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis.

Sensitivity analysis (+/ - 1%)

	Profit before tax		Equity before tax	
	Increase	Decrease	Increase	Decrease
As at 31 March 2022				
Quoted equity securities	129	(129)	129	(129)
As at 31 March 2021				
Quoted equity securities	116	(116)	116	(116)

21. Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products		
Manufactured goods	1,95,727	1,06,948
Traded goods	3,110	909
Gross sales	**1,98,837**	**1,07,857**
Other operating revenues		
Sales of power from wind operated generators	139	126
Income from letting out of storage facility	331	314
Duty drawback benefit	138	60
Export incentive	121	83
Sale of scrap (net of taxes recovered)	253	134
	982	**717**
	1,99,819	**1,08,574**

The Holding Company has certain cancellable and short term arrangement with third parties (which conveys a right to use Holding Company's asset by those Companies in return for a payment) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental income of ₹ 331 Lakhs (31 March 2021: ₹ 314 Lakhs) in respect of such lease have been recognised in the Statement of profit and loss.

22. Other income	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Interest income (Gross)	506	459
Dividend income from investments	342	5
Profit on sale of assets (net of loss on sales/ scraping of asset)	-	7
Rental income	42	38
Excess provisions/ Sundry balances written back (net)	189	5
Gain on foreign currency transaction/ translation (net)	-	15
Gain on fair valuation of derivatives (net)	-	4
Insurance claims	10	86
Miscellaneous receipts	70	68
	1,159	**687**
23. Cost of materials consumed and purchase of stock-in-trade		
Inventory at the beginning of the year	8,488	9,749
Add : Purchases during the year	1,29,332	62,730
	1,37,820	72,479
Less: Inventory at the end of the year	15,434	8,488
	1,22,386	**63,991**
Purchase of stock-in-trade		
Purchase of machinery spares and other chemicals	404	643
	404	**643**
24. Changes in inventories of finished goods, work-in-progress and stock-in-trade	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Opening stock		
Finished goods	2,087	2,665
Work-in-progress	989	600
Stock-in-trade	65	178
	3,141	**3,443**
Closing stock		
Finished goods	3,428	2,087
Work-in-progress	1,851	989
Stock-in-trade	849	65
	6,128	**3,141**
Changes in inventories	**(2,987)**	**302**
25. Employee benefits expenses		
Salaries, wages and bonus	6,634	4,761
Gratuity expense (Also, refer note 16)	135	117
Contribution to provident and other funds	388	310
Staff welfare expenses	256	150
	7,413	**5,338**
26. Finance costs		
Interest expense*	1,691	1,780
Other borrowing costs	346	311
	2,037	**2,091**
*Net of Interest Capitalised of ₹ 30 Lakhs (Previous Year ₹ 194 Lakhs).		

27. Other expenses	Year ended 31 March 2022	Year ended 31 March 2021
Stores and spares consumed	1,661	754
Power and fuel	6,534	2,998
Repairs to:		
- Machinery	2,310	1,251
- Buildings	328	120
- Others	147	108
Packing expenses and materials consumed	1,728	1,230
Freight and forwarding	11,778	5,602
Commission and brokerage	93	61
Rent*	240	201
Rates and taxes	347	366
Insurance	555	426
Travelling and conveyance	220	119
Communication expenses	63	60
Research and development expenses (Also, refer note 31)	264	290
Expenses on wind operated generators	55	52
Legal and professional charges (Also, refer note 29)	505	464
Commission to non-executive directors (Also, refer note 32	191	175
Provision for expected credit loss (Also, Refer note 5 and 9)	-	910
Corporate social responsibility expenditure (Also, refer note 30 & 32)	251	284
Donations	158	37
Loss on fair valuation of derivatives	12	-
Loss on foreign currency transaction/ translation (net)	119	33
Loss of damaged stock	-	3
Miscellaneous expenses	966	687
	28,525	**16,231**

*The Company has lease contracts for office premises and these lease contracts are cancellable/ renewable for further period on mutually agreeable terms during the tenure of lease contracts. These lease contracts are classified as short term lease contracts under Ind AS 116 which amounts to ₹ 83 Lakhs during the current year ended 31 March 2022.(₹ 72 Lakhs in Previous year)

28. Earnings per equity share (EPS)	Year ended 31 March 2022	Year ended 31 March 2021
Basic and diluted earnings per share (₹)		
On profit for the year	27.46	11.49
Notes:		
The earnings and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows:		
(a) Earning used in the calculation of basic and diluted earnings per share:		
Profit for the year	28,123	11,769
(b) Weighted average number of equity shares used in the calculation of basic and diluted earnings per share:		
Weighted average number of equity shares outstanding during the year	**10,23,88,120**	**10,23,88,120**
29. Payments to auditor		
As auditor		
Statutory audit	26	17
Limited review	13	11
Tax audit	3	3
Others	3	7
Total	**45**	**38**

30. Expenditure on Corporate Social Responsibility (CSR)	Year ended 31 March 2022	Year ended 31 March 2021
(a) Gross amount required to be spent by the Holding Company during the year	251	284
(b) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above	251	284
(c) Shortfall/ (Excess) spent at the end of the year	-	-
(d) Details of related party transactions		
Thirumalai Charity Trust	231	238
Worth Trust	-	10
(e) Whether any provision made based on contractual obligation to undertake CSR activity	No	No
All the expenditure on CSR have been paid during the year and no provision for expenses are created for the expenditure.		
Nature of Activities		
Program for early Detection, Monitoring and Control of Non-Communicable Diseases (NCD) in the Community; Promoting health care including preventive health care for children; Covid 19 relief measures.		

31. The Holding Company has spent towards Research and Development expenses during the year which are as under

Capital expenditure*	-	-
Revenue expenditure (Also, refer note 27)	264	290
	264	**290**

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

32. Related parties

a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Key Management Personnel	**Company Executives** Mr. R.Parthasarathy (Managing Director) Mrs. Ramya Bharathram (Managing Director and Chief Financial Officer) Mr. C.G Sethuraman (Group Chief Executive Officer) Mr. Sanjay Sinha (Chief Executive Officer) Mr. P Mohanachandra Nair (Executive Director) Mr. T Rajagopalan (Company Secretary) **Other Directors** Mr. R. Sampath (Non - Executive Director) Mr. Arun Ramanathan (Independent Director) Mr. Neelakantan Subramanian (Independent Director) (up to 05 August 2021) Mr. Raj Kataria (Independent Director) Mr. R. Ravi Shankar (Independent Director) Mr. Dhruv Moondhra (Independent Director) Mr. Rajeev M Pandia (Independent Director) Mrs. Bhama Krishnamurthy (Independent Director)
Enterprise having transaction with the Company during the current year/previous year over which the Key Managerial Personnel and their relatives are able to exercise significant influence	Ultramarine and Pigments Limited (UPL) Thirumalai Charity Trust (TCT) Worth Trust

b) Transactions with related parties

Transaction	Related Party	Year ended 31 March 2022	Year ended 31 March 2021
Remuneration to Key Managerial Personnel*	Mr. R.Parthasarathy Mrs. Ramya Bharathram Mr. P Mohanachandra Nair Key Managerial Personnel other than directors	619 408 67 541	481 241 57 297
Director sitting fees	Independent and non-executive directors	68	63
Professional services	Mr. Rajeev M Pandia (Independent Director)	19	53
Commission	Non - executive directors	150	172
Purchase of Goods	Ultramarine and Pigments Limited	4	4
Rendering of Services	Ultramarine and Pigments Limited	46	40
Receipt of Services	Ultramarine and Pigments Limited Thirumalai Charity Trust	15 6	16 3
Corporate social responsibility expenditure	Thirumalai Charity Trust	231	238
Corporate social responsibility expenditure	Worth Trust	-	10

*Remuneration pertain to short term employee benefits. As the present value of obligation towards gratuity is determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

c) Balances with related parties

Particulars	Related Party	As at 31 March 2022	As at 31 March 2021
Deposits payable	Ultramarine and Pigments Limited	14	14
Directors remuneration payable (including comission to non-executive directors)	Key Managerial Personnel	791	559

33 Additional information required by Schedule III

Name of entity in the Group	Net assets		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	₹ in Lakhs	As a % of consolidated profit or loss	₹ in Lakhs	As a % of consolidated other comprehensive income	₹ in Lakhs	As a % of consolidated total comprehensive income	₹ in Lakhs
Holding Company (India)								
Thirumalai Chemicals Limited								
31 March 2022	80%	86,809	54%	15,231	58%	1,367	54%	16,598
31 March 2021	90%	72,464	100%	11,762	110%	5,161	103%	16,923
Subsidiaries (Foreign)								
Cheminvest Pte. Limited								
31 March 2022	4%	4,495	0%	(103)	0%	-	0%	(103)
31 March 2021	6%	4,461	-1%	(107)	0%	-	-1%	(107)
Lapiz Europe Limted								
31 March 2022	0%	33	0%	(2)	0%	-	0%	(2)
31 March 2021	0%	36	0%	(3)	0%	-	0%	(3)

Optimistic Organic Sdn Bhd								
31 March 2022	28%	30,785	48%	13,431	0%	-	44%	13,431
31 March 2021	20%	16,600	1%	141	0%	-	1%	141
TCL Global B.V.								
31 March 2022	13%	14,221	1%	236	0%	-	1%	236
31 March 2021	1%	593	0%	27	0%	-	0%	27
TCL Inc.								
31 March 2022	13%	14,594	0%	-	0%	-	0%	-
31 March 2021	1%	549	0%	(3)	0%	-	0%	(3)
TCL Specialties LLC.								
31 March 2022	13%	14,576	0%	-	0%	-	0%	-
31 March 2021	1%	547	0%	-	0%	-	0%	-
Subsidiaries (India)								
TCL Intermediates Private Limited								
31 March 2022	2%	2,534	0%	(116)	0%	-	0%	(116)
31 March 2021	0%	-	0%	-	0%	-	0%	-
Eliminations								
31 March 2022	-53%	(59,546)	-2%	(554)	42%	975	1%	421
31 March 2021	-19%	(14,961)	0%	(48)	-10%	- 455	-3%	-503
Total								
31 March 2022	**100%**	**1,08,501**	**100%**	**28,123**	**100%**	**2,342**	**100%**	**30,465**
31 March 2021	**100%**	**80,289**	**100%**	**11,769**	**100%**	**4,706**	**100%**	**16,475**

34. Ratios

S. No	Particulars	Numerator	Denominator	31 March 2022	31 March 2021	% Variance	Remarks
1	Current ratio	Current assets	Current liabilities	1.86	1.90	-2.51%	Not applicable
2	Debt service coverage ratio	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest	Debt Service = Interest + Lease payments + Principal repayments	2.17	1.03	110.76%	Movement in ratio is due to improvement in net profit, additions in ROU which is partly compensated by repayment of term loans during the current year.
3	Debt equity ratio	Outstanding borrowings	Shareholders' equity	14.83%	22.76%	-34.81%	Movement in ratio is due to improvement in Shareholder's Equity and repayment of term loans during the current year.
4	Return on equity ratio	Net profit after taxes	Average shareholders' equity	29.79%	16.33%	82.40%	Ratio has increased on account of increase in PAT which is due to improved margins of Subsidary.
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	9.90	4.67	112.00%	The increase in Inventory turnover ratio is due to commencement of operations in Dahej Unit and increase in prices of raw material and its consequent in impact in finished goods and WIP.
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivable	16.42	12.24	34.20%	Ratio has increased on account of higher sales, and improved realisation.

7	Trade payables turnover ratio	Net Credit Purchases	Average Payables	3.73	2.55	46.18%	Increase in purchases in line with Revenue growth and efficient payable management during the year has led to faster creditors churning and thereby the payable turnover ratio has been improved.
8	Net capital turnover ratio	Net sales	Working capital	4.20	3.99	5.27%	Not applicable
9	Net profit ratio	Net profit	Net sales	14.07%	10.84%	29.84%	Ratio has increased on account of increase in PAT & Revenue during the year
10	Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible net worth + Total debt + Deferred tax liability	72.94%	34.49%	111.49%	Ratio has increased on account of increase in EBIT & Operations of subsidaray during the current year.
11	Return on investment	Net profit after taxes	Net block of PPE	50.51%	24.57%	105.57%	Ratio has increased on account of increase in EBIT & Operations of subsidaray during the current year.

Note

a) Explanations have been provided for any change in the ratio by more than 25% as compared to 31 March 2021.

35. Contingent liabilities, commitments and guarantees	As at 31 March 2022	As at 31 March 2021
(a) Contingent liabilities		
Indirect tax matters under dispute (Refer note (i) below)	150	150
Income tax demand including interest contested in Appeal (Refer note (ii) below)	809	862
(b) Commitments		
i) Estimated amount of contracts to be executed on capital account and not provided for	14,380	790
- Against which advances paid	2,416	76
Other commitments are cancellable at the option of the Group and hence not disclosed.		
ii) The Holding Company has various lease contracts that are non cancellable and the future lease payments for these non-cancellable lease contracts are ₹ 222 Lakhs within one year. Also refer note 36.		
(c) Guarantees		
Bank Guarantee issued by the Group to various parties for day to day business and administrative purposes	4,620	2,935

(i) The Sales-tax authorities have issued notices to the Holding Company whereby the authorities have disputed the method of availment of deferral sales tax on monthly pro-rata basis for the period April 2000 to April 2006 amounting to ₹ 84 Lakhs (Previous year ₹ 84 Lakhs). The Holding Company has filed a writ petition against these notices in the High Court. The Holding Company does not expect any liability to crystallize on this account. Further, no provision has been made in respect of disputed demands from Sales-tax Authorities to the extent of ₹ 66 Lakhs (Previous Year ₹ 66 Lakhs) since the Holding 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 Holding Company has already paid ₹ 13 Lakhs (Previous year ₹ 13 Lakhs).

(ii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹ 809 Lakhs (Previous Year ₹ 862 Lakhs) 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 ₹ 346 Lakhs (Previous year ₹ 495 Lakhs).

36. Leases

i) The Group has entered into lease arrangements for building that are renewable on a periodic basis with approval of both lessor and lessee.

ii) The Group does not have any lease commitments towards variable rent as per the contract.

iii) Lease liabilities are presented in the statement of financial position as follows:

	As at 31 March 2022	As at 31 March 2021
Current	222	-
Non-current	189	-
Total	**411**	**-**

iv) Future minimum lease payments are as follows:

Particulars	As at March 2022			As at March 2021		
Minimum lease payments due	**Lease payments**	**Finance charges**	**Net present values**	**Lease payments**	**Finance charges**	**Net present values**
Within 1 year	253	31	222	-	-	-
1-5 years	197	8	189	-	-	-
More than 5 years	-	-	-	-	-	-
	450	39	411	-	-	**-**

v) The following are amounts recognised in profit or loss:-	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Depreciation expense of right-of-use assets	272	49
Interest expense on lease liabilities	51	-
Total	**323**	-
vi) Total cash outflow pertaining to leases		
Total cash outflow pertaining to leases during the period/year ended	**(445)**	**(252)**

37 Segment reporting

a) Identification of Segments & Customer information

In accordance with Ind AS 108, Operating Segments, the Group has identified manufacture and sale of organic chemicals as the only reportable segment. Power Generation (previously reported segment), Engineering services (new segment established during the previous year), has been assessed to be very insignificant resulting in its operations and results are not being actively reviewed by decision makers of Company. Accordingly, the Company has a single reportable segment. Within the single reportable segment of sale of organic chemicals, a single customer contributes to 11% (Previous Year 13%) of the Company's revenue from operations, amounting to ₹ 16,115 Lakhs (Previous Year ₹ 11,945 Lakhs).

b) Geographical information

The Company is domiciled in India.The amount of its revenue from external customers and non-current assets other than financial instruments,and deferred tax assets, broken down by location of the assets, is shown below:

Particulars	31 March 2022	31 March 2021
Revenue from Operations		
- India	1,25,720	1,01,617
- Rest of the World	74,099	6,957
Non-current assets		
- India	43,794	43,778
- Rest of the World	30,876	21,445

38. Transfer pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Group is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Transfer pricing study for the financial year ended 31 March 2022 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Group's results.

39. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2022) and the date of approval of these financial statements (26 May 2022) except for proposed dividend as disclosed in note 11.

In terms of our report attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 26 May 2022

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

Ramya Bharathram
Chief Financial Officer
(DIN : 06367352)
Place : Chennai
Date : 26 May 2022

R Parthasarathy
Managing Director
(DIN : 00092172)
Place : Ranipet
Date : 26 May 2022

R Ravishankar
Independent Director
(DIN : 01224361)
Place : Chennai
Date : 26 May 2022

C G Sethuram
Group Chief Executive Officer
Place : Chennai
Date : 26 May 2022

Sanjay Sinha
Chief Executive Officer
Place : Chennai
Date : 26 May 2022

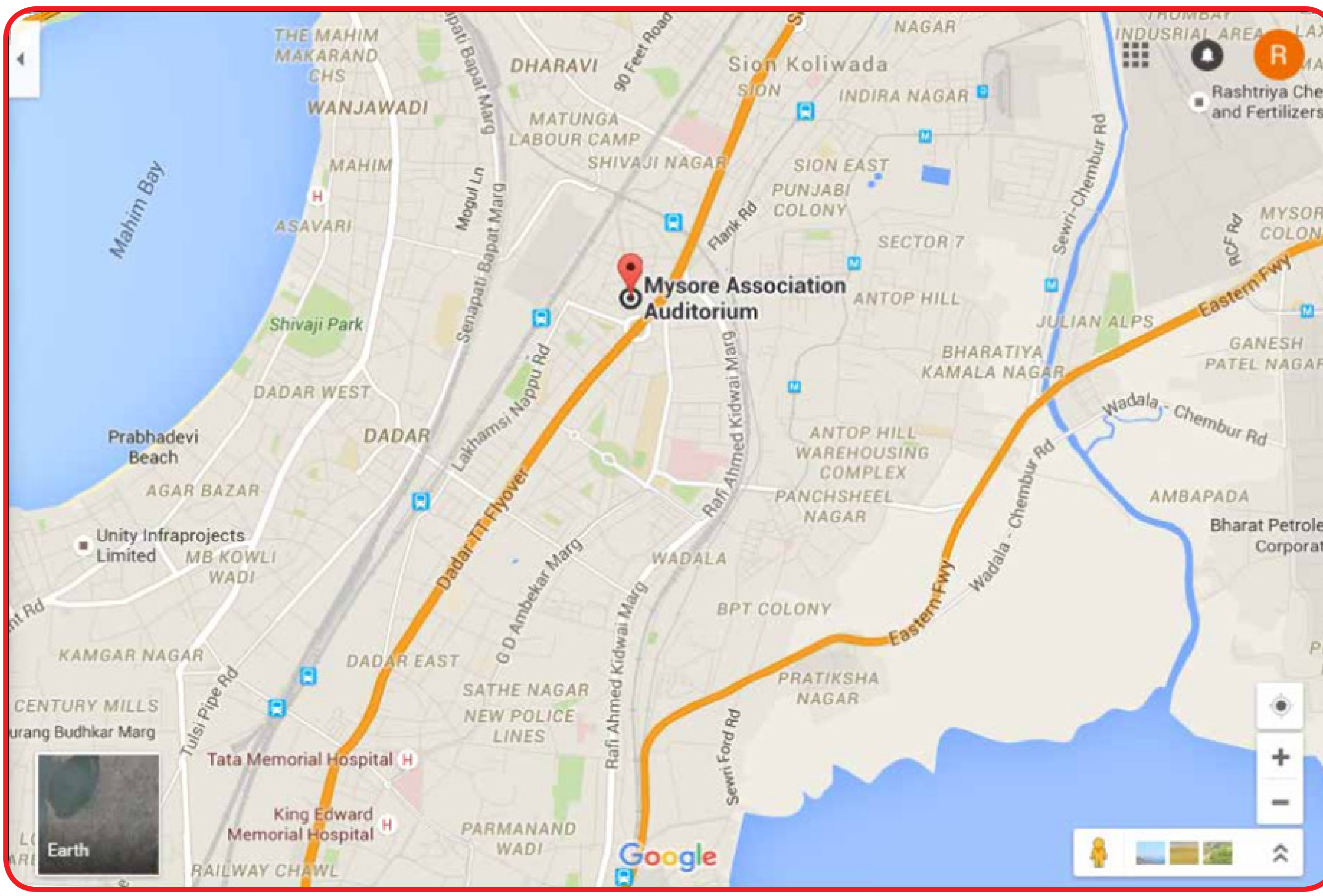
T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2022

FINANCIAL HIGHLIGHTS

Rs.Lakhs

Sl. No.	Particulars	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
1	Share Capital	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024
2	Reserves & Surplus	10,629	12,770	13,214	14,074	17,362	35,670	50,424	57,172	54,517	71,440	85,785
3	Net worth	11,653	13,794	14,238	15,098	18,386	36,694	51,448	58,196	55,541	72,464	86,809
4	Fixed Assets(net)	10,317	9,283	8,016	7,474	7,678	15,494	18,561	32,998	37,660	40,033	39,149
5	Sales / Other Income	91,130	1,15,572	1,05,065	94,168	79,211	95,236	1,04,718	1,00,847	88,744	86,597	1,45,282
6	Gross Profit / (loss)	7,199	10,912	6,107	5,965	9,155	14,030	23,900	16,896	9,637	19,836	25,475
7	Interest /Finance Charges	5,237	5,202	4,542	3,311	2,097	1,455	1,093	1,071	1,554	1,887	1,818
8	Depreciation	1,381	1,287	1,221	701	657	1,402	1,039	1,517	2,118	2,521	3,198
9	Current Tax	346	1,884	260	548	2,381	3,811	7,375	4,449	745	4,062	4,929
10	Deferred Tax	244	236	273	15	253	(49)	(4)	250	1,133	(396)	299
11	Net Profit / (Loss)	478	2,775	357	1,420	4,273	7,413	14,399	9,609	4,087	11,762	15,231
12	Dividend (incl.tax)	-	894	-	493	1,232	2,311	2,469	2,469	-	2,253	2,560
13	Dividend (%)	-	75	-	40	100	188	200	200	-	220	250
14	Earnings Per Share having a face value of Re.1/- (*Revised)	0.47*	2.71*	0.35*	1.39*	4.17*	7.24*	14.06*	9.38*	3.99*	11.49	14.88

Route Map to the Venue of Forty Ninth AGM



Thirumalai Chemicals Ltd.

Registered Office: Thirumalai House, Road No. 29,
Plot No. 101/102, Near Sion Hill Fort, Sion - E, Mumbai - 400 022.

Forty Ninth Annual General Meeting on July 27, 2022

FORM NO. MGT - 11

PROXY FORM

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

CIN : L24100MH1972PLC016149	Registered office : Thirumalai House, Road No.29, Near Sion Hill Fort, Sion(E), Mumbai - 400 022.
Name of the Company : Thirumalai Chemicals Ltd.	

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

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

1. Name: Address : E-mail ID: Signature :________________,or failing him	1. 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 49th Annual General meeting of the Company, to be held on the July 27, 2022 at 2.30 p.m. at the Mysore Association Auditorium, Mysore Association, 393, Bhaudaji Road, Matunga - (C.Rly), Mumbai - 400019 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, 2022.
2. To declare dividend for the Financial Year ended March 31, 2022.
3. Reappointment of Mr. R. Sampath (DIN-00092144), who retires by rotation.
4. To re-appoint Mr. R. Parthasarathy as Chairman and Managing Director.
5. To re-appoint Mr. Arun Ramanathan (DIN 00308848) as an Independent Director.
6. To ratify the remuneration of Cost Auditor for Financial Year 2022-23.
7. To appoint Mr. Arun Alagappan (DIN: 00291361) as an Independent Director.

Revenue Stamp of Re.1/-

Signed this____________day of___________2022

Signature of shareholder

Signature of Proxy holder (s)

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

Thirumalai Chemicals Ltd.
CIN: L24100MH1972PLC016149
Registered Office: Thirumalai House, Road No. 29, Plot No. 101/102,
Near Sion Hill Fort, Sion - E, Mumbai - 400 022. **Phone:** 022-24017841, 43686200.
Email: thirumalai@thirumalaichemicals.com; **Website:** http://www.thirumalaichemicals.com

49th Annual General Meeting on Wednesday, 27th July, 2022

ATTENDANCE SLIP

Registered Folio No./ DP ID/Client ID	
Name and address of the Member(s) Joint Holder 1 Joint Holder 2	

I/We hereby record my/our presence at the 49th Annual General meeting of the Company held on July 27, 2022 at 2.30 p.m. at The Mysore Association Auditorium, Mysore Association, 393, Bhaudaji Road, Matunga - (C.Rly), Mumbai - 400 019.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Please hand it over at the Attendance Verification Counter at the entrance of the meeting hall.

Thirumalai Charity Trust (TCT) was established in 1970 to provide health and education, engaging in the development of poor relief.

To commemorate 50 years of community service, a booklet titled *"Enabling Change since 1970: A Journey with our Community"* was released by Dr J. Radhakrishnan, I.A.S., Principal Secretary, Health & Family Welfare Department, Government of Tamil Nadu.

TCT's Community Health Services (CHS), operating since 1983, currently covers a population of 1,60,000 in 35,000 families in 315 villages of 50 panchayats in Vellore and Ranipet districts of Tamil Nadu. With this more than 50,000 people have benefitted every year from promotion, education, detection and referral, screening, treatment, and follow-up activities.

The Thirumalai Mission Hospital (TMH), started in 2010 as a not-for-profit hospital, provides quality Health Care services with care and compassion in multiple departments and has NABH accreditation. TMH offersregular outpatient and inpatient services in various departments. During these years, a total of 1055 patients are under our continuous and comprehensive care programme for diabetes and hypertension; 4408 patients are treated for osteoporosis with home supplies. Over 9000 patients have been treated in camps. Eye surgeries were organized for 670 patients.

TMH Home care services commenced in 2020. Currently 1886 patients are using the telemedicine facility and 1003 are utilizing our home nursing with respective facilities.

N.R. Swamy Rehab and Wellness Centre has treated 45 alcoholics for de-addiction and 160 adolescents were counselled during the year.

Thirumalai Mission Health and Medical Research Unit, set up in 2015, is conducting community health and epidemiological research studies.

COVID Care initiatives

During the second wave of the pandemic, we chose to become a COVID care facility. We also offered home isolation care for the elderly and the vulnerable. Jointly with the Govt., we helped fully vaccinate 84% of the elderly and 80% between 18-45yrs. We received the best hospital award for COVID care from the district administration.

Plans

To serve a larger population, TMH plans to have an Outpatient, Lab and Diagnostic imaging centre in Muthukadai. We are working on an expansion of the hospital with 250-bed facility with a built-up space of 100,000 sq.ft. For our future efforts, we invite many more people to join.

The Akshaya Vidya Trust

Greetings from Vedavalli Vidyalaya!

We have been challenged by the pandemic since 2020 and this academic year was no exception. In spite of the unreliability, we continued our initiatives to impart knowledge to the students and they have sustained their thirst for learning.

The academic year 2021-22 started with online classes in June. Children and teachers were eager to start physical classes and get back to their regular schedules. They worked with renewed enthusiasm when offline school started in November for all the students. Strict safety norms were followed by all.

Until then, classes and special days were celebrated online. Seminars and Workshops for teachers and students were conducted by many resource persons. Many new programmes were initiated for the children to learn and enjoy. A number of community programmes were organized by the school: Vaccination drive, Mobile Library (books for children in the community to read) and community programmes by students. Our Class 11 students started their internships at Thirumalai Chemicals, Ultramarine & Pigments, Thirumalai Mission Hospital, Snap Alginate and Bob Associates.

We hope the upcoming academic year will be constructive and much more interactive, with many programmes held on the school premises.

Visit www.vedavallividyalaya.org