THIRUMALAI CHEMICALS LTD.

2017 – 2018

45th Annual Report

45th Annual General Meeting

24th July, 2018 at 2.30 p.m.

Venue

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

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

Chief Executive Officer
Mr. C.G. Sethuram

Chief Financial Officer
Mr. P. Krishnamoorthy (*upto 31st May 2018*)

Company Secretary
Mr. T. Rajagopalan

Bankers
- Bank of India
- Andhra Bank
- Axis Bank Ltd
- IndusInd Bank
- IDFC Bank
- Yes Bank
- Standard Chartered Bank

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

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

M/s ANEJA ASSOCIATES
Chartered Accountants, Mumbai

Cost Auditor
Mr. G. Sundaresan, Chennai.

Registered Office
Thirumalai House, Road No. 29, Near Sion Hill Fort,
Sion (E), Mumbai - 400 022
Tel. : 022-24017841, 43686200,
Fax : 022-24011699
E-mail : thirumalai@thirumalaichemicals.com
Website : http://www.thirumalaichemicals.com
CIN : L24100MH1972PLC016149

Registrar & Share Transfer Agents
Link Intime India Pvt Ltd
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083.
Tel. : +91 22 49186000
Fax : +91 22 49186060
E-mail : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

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

45th Annual General Meeting

Date & Time
Tuesday, July 24th, 2018 at 2.30 p.m.

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

Book closure
Wednesday, July 18th, 2018 to
Tuesday, July 24th, 2018 (both days inclusive)

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

NOTICE

NOTICE is hereby given that the **FORTY FIFTH 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 Tuesday, July 24, 2018 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements i.e. Balance Sheet as at and the Statement of Profit & Loss and the Cash Flow Statement for the Financial Year ended on March 31, 2018 and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year ended March 31, 2018.
3. To appoint a Director in place of Mr. P. Mohana Chandran Nair (DIN 07326079), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

   "RESOLVED THAT subject to approval as may be required from the Central Government the appointment of Mr. G. Sundaresan, Cost Accountant (M 11733), as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for the Financial Year 2018-19 for a remuneration of ₹30,000/- in addition to reimbursement of out of pocket expenses, be and is hereby ratified."

5. **Approval for splitting of the Company's Equity Shares of ₹10/- each into 10 Equity Shares having a face value of Re. 1/- each.**

a) To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in pursuant to the provisions of Section 61 (1) (d) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the concerned authorities or bodies, 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of the Company having a face value of ₹10/-(Rupees Ten) each in the Authorized Share Capital of the Company be sub-divided into 15,00,00,000 (Fifteen Crores) Equity Shares having a face value of Re.1/- (Rupee One) each."

"RESOLVED FURTHER THAT upon the sub-division of the Equity Shares as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value of ₹ 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may without requiring the surrender of the existing Share Certificate(s) directly issue and dispatch the new Share Certificate(s) of the Company, in lieu of such existing issued Share Certificate(s) and in the case of the Equity Shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division."

"RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board"), (which expression shall also include a Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and steps as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board to any Committee thereof or to the Managing Director or Executive Directors or Chief Financial Officer or Company Secretary, to give effect to the aforesaid resolution."

b) Alteration of the Memorandum of Association of the Company:

To consider and if thought fit to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force), Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following:

"V. The Share Capital of the company is ₹25,00,00,000 (Rupees Twenty Five Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Re. 1/- (Rupee One) each and 1,00,00,000 (One Crore) Unclassified shares of ₹10/- (Rupees Ten) each, to be classified by the Board in shares of an one or more class(es) as may be permissible under the companies Act, 2013 in such proportion and on such terms as they decide."

RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board"), (which expression shall also include a Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and steps as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board to any Committee thereof or to the Managing Director or Executive Directors or Chief Financial Officer or Company Secretary, to give effect to the aforesaid resolution."

c) Alteration of the Articles of Association of the Company:

To consider and if thought fit to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies

Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Article 5 of the Articles of Association of the Company be altered and is hereby by substituting the following:

"5. The Authorised Capital of the company is ₹25,00,00,000 (Rupees Twenty Five Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Re. 1/- (Rupee One) each and 1,00,00,000 (One Crore) Unclassified shares of ₹10/- (Rupees Ten) each."

RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board"), (which expression shall also include a Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and steps as may be necessary for obtaining such approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board to any Committee thereof or to the Managing Director or Executive Directors or Chief Financial Officer or Company Secretary, to give effect to the aforesaid resolution."

6. To Modify the terms of Appointment of Mrs. Ramya Bharatharam, whole-time Director

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

"RESOLVED THAT in partial modification of the resolution of the members passed in the Annual General Meeting held on July 22, 2017, and in terms of the provisions of section 196 and other applicable provisions of Companies Act, 2013 (including any amendment/modification thereof), the remuneration of Mrs. Ramya Bharathram (DIN 06367352), Whole-time Director, be revised with effect from this date of resolution till November 02, 2020.

RESOLVED THAT the stated commission payable to Mrs. Ramya Bharathram Whole-time Director under Remuneration be modified as below;

4) Commission up to 2% of net profits of the company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013. The actual percentage of commission will be decided by the Board, for each financial year on completion.

FURTHER RESOLVED THAT all other terms and conditions set in the said Resolution will remain full and operational."

I. NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, July 18, 2018 to Tuesday, July 24, 2018 (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 2010-2011 to the Investor Education and Protection Fund (The IEPF) established by the Central Government. Likewise, Debentures/Fixed Deposits repayment warrants/interest warrants which remain unclaimed /unpaid for a period of 7 years from the dates they first became due for payment have been transferred to the Investor Education and Protection Fund. All persons are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
6. Details under Reg. 36 of the Listing Obligation with the Stock Exchanges in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Director has furnished the requisite declarations for their appointment/re-appointment.
7. Electronic copy of the Annual Report for 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for 2017-18 are being sent in the permitted mode.
8. Electronic copy of the Notice of the 45th 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 45th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

9. Members may also note that the Notice of the 45th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.thirumalaichemicals.com for their download.

10. Members desiring any clarification on accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.

11. The Equity shares of the Company are mandated for trading in the compulsory demat mode. The ISIN No. allotted for the Company's shares is INE338A01016.

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

13. Voting through electronic means

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 45th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the meeting.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on July 20, 2018 at 3.00 pm (IST) and ends on July 23, 2018 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 17, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on July 23, 2018.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

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

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

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

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

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

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

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

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

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

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

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

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

(xix) Note for Non – Individual Shareholders and Custodians

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

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

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

C. 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.

D. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

E. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.thirumalaichemicals.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges, where the shares are listed.

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

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

Mr. P. Mohana Chandran Nair, President (Manufacturing), (DIN: 07326079) was appointed as a Whole Time Director of the Company under section 196 of the companies Act, 2013 for a period of five years with effect from 28-10-2015 by the Board of Directors of the company and is liable to retire by rotation.

Mr. Nair is a Chemical Engineer with about 36 years of experience in various roles at Rashtriya Chemicals and Fertilizers Ltd (RCF), where he started his career as a Trainee Engineer, and was lastly Executive Director. He was the Head of Operations and Profit Centre Head, before he joined us. He has extensive experience in Operations incl , Manufacturing, Engineering, Project Management, Technology, Commercial, etc.

During the last three years in TCL his performance has been outstanding. He has consistently set high targets in Safety, Efficiency, Energy, and Costs and has motivated and led diverse teams to deliver on these goals. He has also led a comprehensive change management initiative in the company successfully. He will be a good addition to the Board of Directors.

He is not a Director in any other company and no share of the company is held by him.

Except Mr. P. Mohana Chandran Nair, none of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at Item no.3.

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

ITEM No. 4

The Board at its meeting held on May 03, 2018, as recommended by the Audit Committee, appointed Mr. G. Sundaresan, Cost Accountant, as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for the Financial Year 2018-19 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 Auditor has to be ratified by the Shareholders. Hence this resolution is placed for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 4.

The Directors recommend the resolution set out at Item.no. 4 of the accompanying notice for your approval.

Item No. 5

Approval for splitting of the Company's Equity Shares of ₹10/- each into 10 Equity Shares having a face value of Re. 1/- each.

Item No. (a)

As the members may be aware, the turnover of the Company has registered substantial growth in the last 3 years, which has generated considerable interest in the Company's Shares in the Market; resulting in the market price of the Company increasing from ₹ 200 levels in 2016 to ₹ 2,000 levels in 2018. The high market price of the Company's shares has been beyond the reach of the retail investors. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at their meeting held on May 03, 2018, considered it desirable and recommended the sub–division of 1,50,00,000 Equity Shares of ₹10/- each in the Authorized Share Capital of the Company into 15,00,00,000 Equity Shares of Re.1/- each, subject to approval of authorities as may be necessary.

The Board recommends the resolution as set out in Item No. 5 (a) of the accompanying notice for the approval of the members of the Company as an Ordinary Resolution.

None of the Directors/ Key- Managerial Personnel of the Company or their relatives is concerned or interested in the resolution set out in Item No. 5 (a) except to the extent of their shareholding in the Company, if any.

Item Nos. (b & c)

Alteration of the Memorandum and Articles of Association of the Company.

The proposed sub-division of the Face Value of the Equity Shares of the Company of ₹10/- each into denomination of Re.1/- each requires amendment to the Memorandum and Articles of Association of the Company. Accordingly Clause V of the Memorandum of Association and Article 5 of the Articles of Association are proposed to be amended as set out in Items No. b and c respectively, in the accompanying notice for reflecting the corresponding changes in the Authorized Share Capital of the Company, consequent to the proposed sub-division i.e. from ₹25,00,00,000 (Rupees Twenty Five Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Re. 1/- (Rupee One) each and 1,00,00,000 (One Crore) Unclassified shares of ₹10/- (Rupees Ten) each.

The Board recommends the resolutions as set out in Items No. 5 (b & c) of the accompanying notice for the approval of the members of the Company as Special Resolutions.

None of the Directors/ Key- Managerial Personnel of the Company or their relatives is concerned or interested in the resolutions set out in Items No. 5 (b & c) except to the extent of their shareholding in the Company, if any.

A copy of the Memorandum and Articles of Association of the Company along with the proposed amendments shall be open for inspection at the Registered Office of the Company during normal business hours from 9 AM to 5 PM on all working days up to the date of declaration of the results.

Item No. 6

Mrs. Ramya Bharathram was appointed as whole-time Director for a period of three years with effect from November 03, 2017 at the last Annual General Meeting held on July 22, 2017 upon remuneration and benefits as detailed in the said resolution.

The Board of Directors while evaluating the performance of Mrs. Ramya Bharathram during 2017-18, viewed that for future years the commission payable to her based on profits, need not be limited to annual basic salary, as it is already limited up to 2 % profits for the respective year and further it is to be determined every year by the Board based on her performance. Hence the Board recommends for removing the sub-restriction in determining the commission payable on performance while keeping the others terms of appointment as it is.

Mrs. Ramya Bharathram is a relative of Mr. R. Sampath, (promoter) Director. She is holding 28,677 equity shares of the company. She is a Director on the Board of M/s Jasmine Limited, a NBFC company registered with RBI, and a related company.

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

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

By Order of the Board
For Thirumalai Chemicals Ltd.

T.RAJAGOPALAN
Company Secretary

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

May 10, 2018

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.*

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

Mr. P. SHANKAR *has served as the Chief Secretary of Tamil Nadu, and as Secretary to Government of India in the Ministries of Heavy Industry, Sugar, Food and Public Distribution, and Petroleum. He was Central Vigilance Commissioner of India, a senior Constitutional position. He was the Chairman of the CSR Committee of TCL. He retired from the Board of your company on the 31st July 2017 after 10 years of service, during which he was deeply involved in the company's Governance and Audit matters, and in Management oversight.*

Mr. A. JANAKIRAMAN *retired as President – New Business (Petroleum) Reliance Industries Ltd., in 2010. He has worked in various capacities with Indian Oil Corporation, Herdilla Chemicals Ltd, Herdilla Polymers Ltd, Pasumai Irrigations Ltd, and Chemplast Sanmar Ltd. He was also the Chairman of the Stakeholders Relationship Committee of TCL. He retired from the Board of your company on the 31st July 2017 after 10 years of service, where he was active in Business review matters.*

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

***Mr. N. SUBRAMANIAN** has over 40 years of experience in the chemical industry in India and overseas. Mr. Subramanian has been member of the senior management in leading companies in India and East Asia, including Chemplast Sanmar, Atochem- Arkema, and others. He is the Chairman of the Business Review Committee of TCL, and is your company's nominee to the Board of our Subsidiary in Malaysia, Optimistic Organic Sdn Bhd.*

***Mr. RAJ KATARIA** is an experienced Investment Banker with over 20 years in M&A and Capital Markets. He is on the TCL Business Review and Audit committees. He has significant expertise in Company Law and Corporate Structuring matters, including as Managing Director in DSP- Merrill Lynch. He is a founding Partner of Arpwood Ltd, where he has been active in several high profile M&A transactions during the last 4 years. He is the Chairman of the Nomination & Remuneration Committee of TCL and is active in Governance and Corporate matters.*

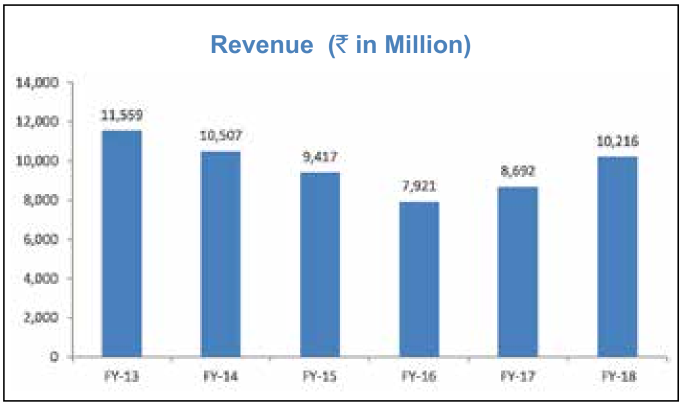
***Mr. DHRUV MOONDHRA** is an entrepreneur and CEO of Arcelor Mittal Dhamm Ltd. He has in depth experience in Distribution, Trading and Manufacturing. He has also led business start-ups in the United Kingdom and India. He is an active member of the Business Review and Risk management committees.*

***Mr. ARUN RAMANATHAN** is a IAS Officer (Retd) & 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.*

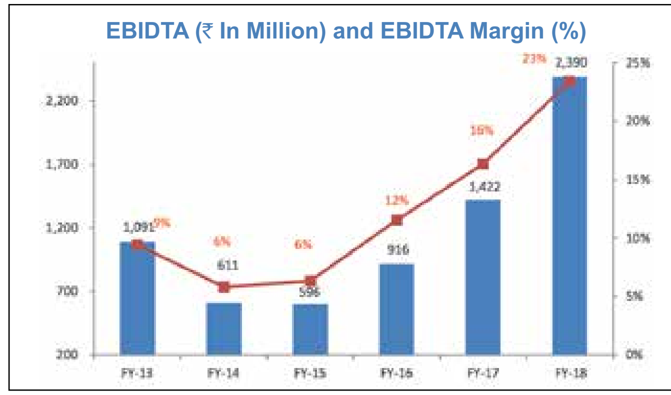
***Mrs. RAMYA BHARATHRAM** is an Executive Director of TCL. She heads Strategy, and the Specialty Chemicals Businesses. She has over 19 years of experience in marketing, business management, new business development, customs & excise and trade defence. She worked for a leading law firm in India where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

***Mr. P.M.C. NAIR** is an Executive Director and has worked at TCL for 5 years as President (Mfg). Mr. Nair is a Chemical Engineer with over 35 years of experience in various roles at Rashtriya Chemicals and Fertilizers Ltd (RCF). He was the Head of Operations and Profit Centre Head, before he joined TCL.*

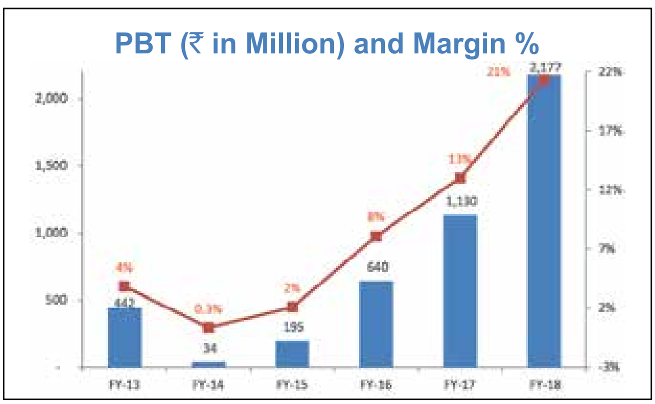
PERFORMANCE INDICATORS - STANDALONE



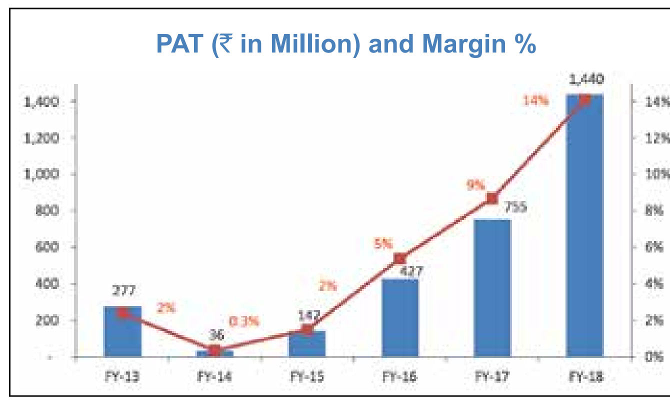
Revenue (₹ in Million)



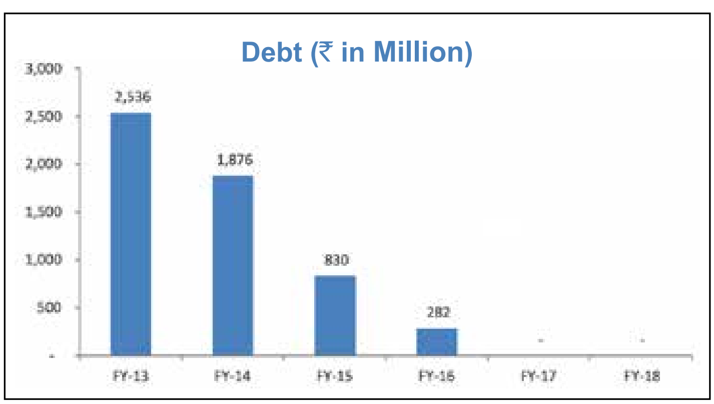
EBIDTA (₹ In Million) and EBIDTA Margin (%)



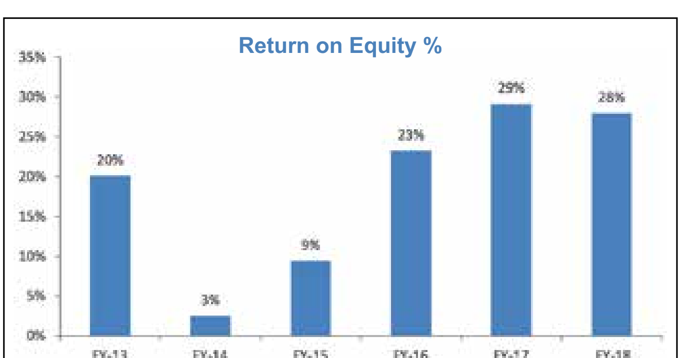
PBT (₹ in Million) and Margin %



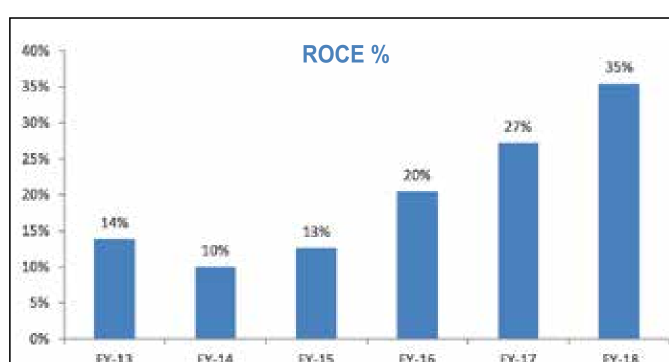
PAT (₹ in Million) and Margin %



Debt (₹ in Million)



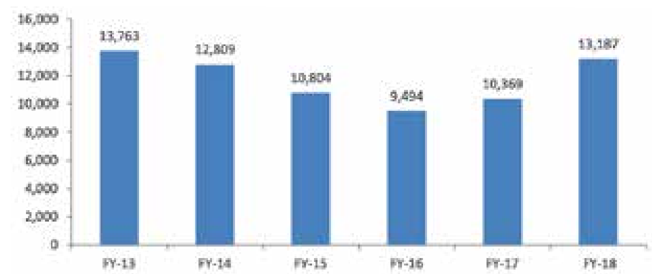
Return on Equity %



ROCE %

PERFORMANCE INDICATORS - CONSOLIDATED

Revenue (₹ in Million)

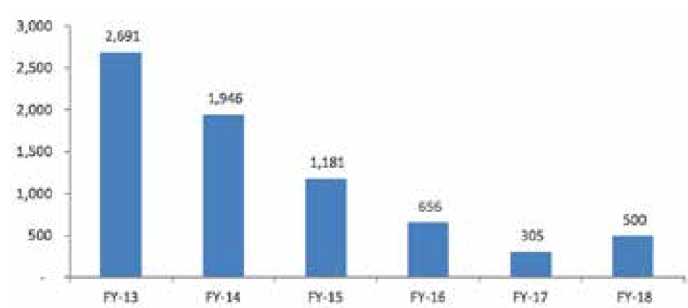


EBIDTA (₹ In Million) and EBIDTA Margin (%)

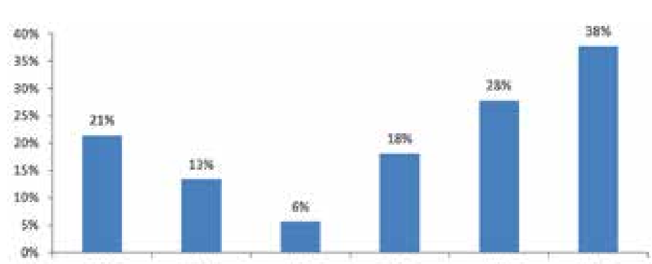
PBT (₹ in Million) and Margin %

PAT (₹ in Million) and Margin %

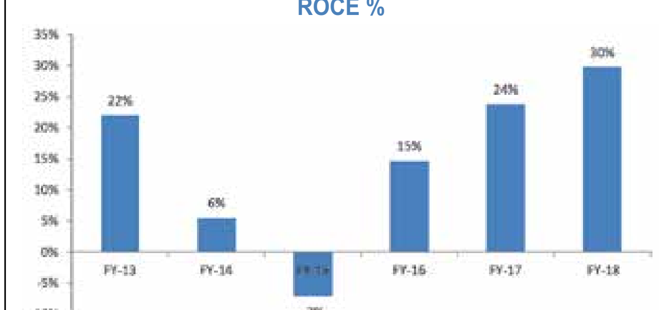
Debt (₹ inMillion)



Return on Equity %



ROCE %



SIGNING THE PROJECT CONTRACT FOR THE FIRST PHTHALIC PLANT
(Seated L-R: Mr Ramu Menon, GM Davy Power Gas – India, Mr N.S.Iyengar, Chairman TCL (Standing L-R: Mr K.N.D Nair, Mr A.K.Basu, Dr. Rama Iyer, all from Davy Power Gas) Dr Rama Iyer later became Chairman of TCL from 6th January 2012 to 21st March 2016

GROUND BREAKING CEREMONY IN 1973
(Standing Sixth from Left: Mr N.R Swamy - Managing Director, TCL)

THE FIRST THIRUMALAI PHTHALIC PLANT IN 1976 IMMEDIATELY AFTER COMMISSIONING

OUR MALAYSIAN SUBSIDIARY'S PURIFICATION PLANT AFTER EXPANSION IN 2017

TCL DIRECTORS AT OUR SUBSIDIARY IN MALAYSIA
(Standing Second from right: Mr Parthasarathy, Chairman and Managing Director – TCL, Third from right: Dr Rama Iyer, Director - TCL, First from Left: Mr N Subramanian, Director – TCL.

A SECTION OF THE PA PLANT AT RANIPET

Message from Chairman

From the Chairman,

To Shareholders.

Dear Members,

I am happy to send you your company's Annual Report for the Financial Year April '17 to March '18.

It has been a good year.

Our managers & employees could build on the internal improvements of the last few years, and take advantage of a positive trading environment. There were some significant challenges, but your Company managed them well. These are briefly described in the report of your Directors. Our Subsidiary has started contributing and growing. The improvements of the last few years, paid off in our improved performance.

We were able to competently manage the disruptions and uncertainties: rising Crude and Raw material costs in the second half of the year, knee jerk tightening of credit for our customers after the deluge of bad debts at all major banks, and the trade hiccups caused by demonetization and GST.

The improvements of the year largely came from our people in all cadres: their improved ability to take independent and quick decisions in the face of constant changes in the marketplace and the regulatory environment; the day to day issues of manufacturing in our older units, and the disruptions of Plant refurbishment we have embarked on.

The learnings and the successes from this has resulted in a higher level of competence, and of motivation & confidence which will help us all build a stronger, resilient company and grow together. During the last year, we were also able to move ahead on this journey of growth, initiated last year. As a group, our aim is to grow both in our basic products and value added derivatives and businesses around the core. This ensures that in spite of increased production of our main products - Phthalic Anhydride and Maleic Anhydride, we can utilize a good portion of these captively for value added products.

India and Asia are growing fast, while the EU & USA represent excellent volumes and value; we are one among a few companies globally with good technology, competence and market credibility in these products, built on 30 years of experience.

However, this often requires local manufacture based on competitive local raw materials - within the regions for effective market penetration, logistics and distribution. Aided by our strong Balance Sheet and encouragement from our customers globally, we have embarked on a number of projects and are evaluating others; in India, ASEAN and North America. The Director's report touches on some of them.

One of our goals is to do this without burdening our Balance Sheet. This is important in these highly volatile times - to grow but be ready for the next crisis. Strong cash flow, good reserves and manageable debt are crucial – our business plans are tuned toward these. Our growth will need stronger teams for management, operations & oversight; better processes and capabilities in all aspects; the ability to work successfully in new locations with those Governments and regulations; and efficient, safe management & operations.

In preparation, we have two years ago, taken up this task of strengthening our People resources at all levels. I must thank our employees for their extraordinary commitment and performance; they are the backbone on which we are building the future.

I join our management team in thanking your Directors for their critical inputs and constant support. Likewise, to our many Customers, Suppliers, Banks and Government officials - they were key contributors to our good performance.

I now invite you to read the Annual Report, Accounts and Annexures and join us on the 24th of July at our AGM with your insights and suggestions.

If you wish you may also send us your questions in advance to: thirumalai@thirumalaichemicals.com

Jai Hind.

Regards,
R. Parthasarathy
Chairman & Managing Director

Chennai
May 03, 2018

DIRECTORS' REPORT

With Management Discussion & Analysis

To,

The Members

Thirumalai Chemicals Limited

Your Directors are pleased to present to you the Forty Fifth Annual Report & Audited Statement of Accounts of the Company for the year ended March 31, 2018. The Management Discussion and Analysis has also been incorporated into this report.

STANDALONE FINANCIAL RESULTS

(₹ In Million)

Item	Year Ended 31 Mar 2018	Year ended 31 Mar 2017
Revenue from Operations	10372	9446
Other Income	100	78
Total Revenue	**10472**	**9524**
Gross Profit / (Loss) before Interest, Finance Charges and Depreciation **(EBITDA)**	2390	1403
Interest and Finance Charges	109	146
Profit / (Loss) before Depreciation and Tax	**2281**	**1257**
Depreciation	104	140
Profit / (Loss) before Tax (PBT)	**2177**	**1117**
Provision for Tax	(737)	(390.0)
Profit / (Loss) after Tax	1440	727
Add : Provision for Deferred Tax	-	14
Profit / (Loss) after Tax (PAT)	**1440**	**741**

- The Net Revenue including Export Earning (FOB) during the year was ₹ 1430 Million (Previous Year: ₹ 1088.8 Million).

CONSOLIDATED FINANCIAL RESULTS *(₹ In Million)*

	Year Ended 31 Mar 2018	Year ended 31 Mar 2017
Revenue from Operations	13376	11158
Other Income	68	41
Total Revenue	**13444**	**11199**
Gross Profit / (Loss) before Interest and Finance Charges and Depreciation **(EBITDA)**	2963	1618
Interest and Finance charges	128	167
Profit / (Loss) before Depreciation and Tax	2835	1451
Depreciation	305	358
Profit / (Loss) before Tax (PBT)	**2530**	**1093**
Provision for Tax	(740)	(391)
Profit / (Loss) after Tax	**1790**	**702**
Add : Provision for Deferred Tax	(86)	5
Profit / (Loss) after Tax (PAT)	**1704**	**707**

Dividend

Based on the Company's performance, the Directors are pleased to recommend for approval of the members, a dividend of ₹ **20/-** per share for the year ended March 31, 2018 (previous year ₹ 18.75 per share was paid).

The final dividend on equity shares, if approved by the shareholders, would involve a cash outflow of ₹ **247 Million**, including dividend taxes.

Subsidiaries

Cheminvest Pte Ltd. Singapore is a 100 % investment subsidiary of your Company and it has a step-down subsidiary viz. Optimistic Organic Sdn. Bhd., Malaysia (OOSB), a manufacturing Company in Malaysia and another viz. Lapiz Europe Limited in the United Kingdom.

Business Performance

Your Company has shown good improvement in FY 2017-18. Despite the various challenges we faced throughout the year on different fronts, we were able to achieve growth in the Business & Operating efficiencies, in Margins, Working Capital Management and Finance charges. These led to better improvements in Profitability and Cash Flow, and reduction in Finance Charges.

As was the case last year, Indian demand for most products is continuing to grow at a steady rate. We have adapted to the increased expectations of our customers in various areas such as product quality, packaging and timely delivery and as a result, evolved further as an organization. We continue to be a respected and preferred supplier to our many customers in both the domestic and overseas markets, and have gained a large number of new customers; many of them are global majors with demanding requirements.

Over the past few years, we have made conscious efforts to improve our competitiveness through several change initiatives. These have produced good results.

This year, we bettered on our previous benchmarks in all areas – performance, safety and reliability, maintenance, training & development. This is now ingrained into the culture of your Company; to aim for constant improvement in all facets of organizational health.

Your company is now well equipped to grow further.

Phthalic Anhydride Business

The Phthalic Anhydride business has done well this year. In addition to the tight Asian market, the business was benefited by the improved practices and quick reaction of the Company in pricing, receivables & customer engagement, and in volatility management. These were supported by reliability programs in manufacturing initiated a few years ago.

GST implementation during the year has helped improve operational performance, particularly in transportation and distribution. This has had a positive impact on the business, after the initial disruption.

Buoyed by the positive business environment of the past two years, your company has decided to set up a manufacturing facility at Dahej, Gujarat. Your Company is now expecting to receive the final Construction Clearance by the second quarter of FY-19. Engineering work has commenced and is progressing well.

This location presents a strategic advantage with a wide range of raw materials available locally for more such niche products. As a group, our aim is to grow both in our basic products and such value added products. This means that in spite of increased production of our main products - Phthalic Anhydride and Maleic Anhydride, we can utilize a good portion for captive 'value added products'.

India and Asia are growing fast in the demand for these, and we are one of few companies globally with good technology, competence and market credibility built on 30 years of experience.

We hope to start the next round of expansion at this site when the initial phase is completed.

Food Ingredients and Fine Chemicals:

The Food Ingredients Business had a good year, especially in market development and technology changes. We successfully completed quality initiatives during the year with significant customization for many customers. As a result, we were able to increase our global market share for Malic acid and gained entry into some very large end-user markets overseas.

Most of the improved product was sold in high quality markets like the EU and US. Further efforts towards the enhancement of quality in making 'custom grades' are ongoing.

The year also witnessed a sharp increase in raw material costs, however the combination of higher volume and focused sales to high value segments helped us maintain profitability.

This business is now primed for further expansion and several opportunities are being evaluated toward becoming a global leader in these products.

Subsidiary – Optimistic Organic Sdn Bhd :

1) TCL has rationalized its holdings in its subsidiaries, Cheminvest Pte Limited, Singapore and Optimistic Organic Sdn. Bhd. (OOSB), Malaysia. During the Financial year 2017-18, the process of consolidating the investments in the subsidiaries was completed. The results of OOSB for the financial year 2017-18 also showed marked improvement, based on the sustained efforts of the Management and Operations teams to improve the overall efficiency, and to complete the expansion.

   Their Cash Flows remain good and will support their ongoing projects.

(US$. In Million)

STANDALONE FINANCIAL RESULTS OF THE SUBSIDIARY (OOSB)	Year Ended 31 Mar 2018	Year ended 31 Mar 2017
Revenue from Operations	51.65	28.79
Other Income	0.03	0.18
Total Revenue	51.68	28.97
Gross Profit / (Loss) before Interest, Finance Charges and Depreciation **(EBITDA)**	9.39	3.46
Interest and Finance Charges	0.60	0.70
Profit / (Loss) before Depreciation and Tax	**8.79**	**2.76**
Depreciation	3.23	2.81
Profit / (Loss) before Tax (PBT)	**5.56**	**(0.05)**
Provision for Tax	(0.00)	(0.00)
Profit / (Loss) after Tax	**5.56**	**(0.05)**
Add : Provision for Deferred Tax	(1.36)	(0.14)
Profit / (Loss) after Tax (PAT)	**4.20**	**(0.19)**

2) The markets for Maleic Anhydride have grown steadily and have absorbed the increased volumes coming from the expanded operations, which stabilized in the last two quarters. OOSB has commenced construction of a derivatives plant, that will consume part of the Maleic Anhydride produced on the site. These value added products are expected to cater to markets in Asia, Europe and the US. Initial test product has already been approved by potential customers around the world.

   To mitigate the risks and losses arising from currency fluctuation; the Subsidiary (OOSB) changed its reporting currency to the US Dollar by the middle of the year, which has already proved positive.

GROWTH AND NEW PROJECTS :

Phthalic Anhydride:

1. The greenfield PA project in Gujarat announced last year is moving ahead and will form the initial core of a larger integrated complex making Commodities & Fine Chemicals and newer products. It is an excellent location inside a Chemical Park, close to majority of our customers and to our Raw material suppliers.

   This is an important step for TCL. The Government of India, the local Government and their various agencies have been very supportive.

2. As we mentioned last year, some of our larger plants have become old and in spite of excellent maintenance, now need replacement to improve safety, reliability, operating efficiencies and reduce emissions. We are doing this without disrupting production and safety.

   These Capital Projects and the Revamps at Ranipet are funded from internal Cash Flow.

3. The PAN market in India, Middle East & ASEAN is growing. We are now planning on further capacity addition at the Gujarat site. Initial work on this project has commenced.

Subsidiary – Optimistic Organic Sdn Bhd., Malaysia:

Our subsidiary in Malaysia has completed and stabilized its recently expanded operations and you can see the improved results during the year; we should now see them reach higher production and improved performance.

Growth Projects which they have identified are:

1. Last year, the group identified an opportunity downstream in derivatives of Maleic Anhydride with good potential and our Malaysian subsidiary is building a manufacturing unit for the first set of these products, with technology from us.
2. They are also planning further investments in Maleic Anhydride and Fine Chemicals, and are studying various options for location – in their existing location and greenfield options in other countries with good feedstock availability. These will serve strong demand growth from our many customers in India, the ASEAN, Middle East and also in Southern Europe.

Food Ingredients and Fine Chemicals:

Our food ingredients business is performing well and we have been able to introduce many new grades for our customers in Europe and restart sales in the US.

This has helped us expand our marketing footprint into the US and into Europe again; markets we had to withdraw from over the last 10 years due to a lack of capacity and higher logistics costs.

This has encouraged us to study an integrated plant in North America for Maleic Anhydride, Derivatives and Food ingredients, based on competitive shale gas, to serve the largest global markets: namely North America, Europe and the United Kingdom. As this study matures, we hope to have further news for you.

This is necessary for serving customers in North America, Western Europe and Latin America, where we are limited by our present capacity and logistics.

Project Funding

Our Balance Sheet on a standalone & consolidated basis is robust and our cash flows over the last few years have been good. This has given us the resources and the confidence to invest in the future - in India and overseas.

PROSPECTS

Phthalic Anhydride is expected to grow in India at about 4%. As mentioned last year, TCL has taken up a major refurbishment and Capex program over a 3-year period. With that and the ongoing and proposed Gujarat project, your Company is gearing up to meet the growing PA demand in India and the region, and to serve our derivatives units.

The PA business is sensitive to market volatility and business cycles. We are now better prepared to tackle these challenges with the policy and operational changes, implemented in the last few years.

But the large imports of the product into India is a matter of great concern. The Government has initiated a review of the Anti-Dumping Duty that was in force from Dec '12 to Dec '17.

Free Trade Agreements (FTAs) are another area of worry for the Phthalic Anhydride business. While the existing FTAs with ASEAN and Korea had a negative effect on Indian industry, the proposed RCEP could prove to be a more serious threat to all Indian manufacturing and jobs. Your company is participating actively in a series of representations to the Government through different forums.

Notwithstanding these threats, your Company is confident of its ability to compete and grow.

OUR PEOPLE

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

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

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

ASSOCIATES

We work very closely with our Business associates including our Customers, Suppliers, Distributors, Service providers and many specialist Consultants. As a result, we have forged rewarding and close relationships with all of them, which helps us in day-to-day operations and managing the many surprises and crises that are a normal fact of operating a Chemical manufacturing business in India.

BOARD AND MANAGEMENT

The Board of your Company consists of

- The Chairman & Managing Director - Mr. R. Parthasarathy
- Two Executive Directors -
  - o Mr. P.M.C. Nair (*Director - Manufacturing & Projects*)
  - o Mrs. Ramya Bharathram (*Director - New Business and Strategic Initiatives*),
- Five Independent Directors, and
- Mr. R. Sampath – Director & Chairman of Ultramarine and Pigments Ltd.
- They were supported by Mr. P. Shankar and Mr. A. Janakiraman, who retired from the Board as Independent Directors on 31st July 2017, after nearly ten years of service. The Board records their significant contributions to the company's performance and governance.

Closely supported by

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

And the Business Heads

- Mr. S.V.S Rama Raju - *President*
- Mr. S. Venkatraghavan - *Executive Vice President*.
- Mr. Sanjeev Gokhale - Vice President-International Marketing

Your Directors play a very active role in the Company. They bring in deep expertise in Business Operations and Strategy, Technology, Finance & Accounting, Government Relations and Business management to your Company. Their suggestions, criticisms and advice to the Management team over the last 6 years, have helped the Company deliver strong performance and an excellent balance sheet.

The Committees in the Board, especially the Business Review Committee, the Audit Committee and the Risk Management Committee met often and made important contributions to setting goals, reviewing performance, correcting slippages and monitoring execution.

The Nomination & Remuneration Committee, Stakeholders Relationship Committee and the Corporate Social Responsibility Committee have also 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 important role in contributing to 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) and the Akshaya Vidya Trust (AVT) .

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

The TCT operates the **Thirumalai Mission Hospital**, which provides primary healthcare in 315 villages, covering over 1,60,000 people. The Hospital includes both out-patient and in-patient services in the departments of General Medicine, Emergency, Intensive Medical Care, General Surgery, Pediatrics, Obstetrics, Gynecology, Orthopedics, E.N.T., Dentistry, Physiotherapy, De-addiction and Rehabilitation. With your Company's support, the Thirumalai Mission Hospital has recently set up a separate center for Non-Communicable Diseases such as Diabetes, Thyroid disorders, Endocrinology, etc.

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

Their performance are reviewed periodically by the CSR committee.

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 installments to the Financial Institutions and Banks are being made as per schedule. Your Company has not collected any Fixed Deposit during the Financial Year.

Contribution to the Exchequer:

The amounts paid to the Central and State Exchequer by way of Excise Duty, Sales Tax, Customs duties (incl. paid to supplier), Income Tax , etc., is about ₹ **2346 Million** on Gross Sales of about ₹ **10372 Million.**

Contribution to the Exchequer is about **23 %** of your Company's Sales.

Exports:

Calculated on FOB basis, Exports amounted to ₹**1430 Million** (previous year ₹ 1088.8 Million).

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 Accounting Standards (AS18) 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:

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

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

iii) 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.

iv) We have prepared the annual accounts on a going concern basis.

v) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

vi) 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 constituted a Business Risk Management Committee and the details of the Committee are as under:

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

Vigil Mechanism / Whistle Blower Mechanism

The Company has a vigil mechanism to deal with instances of fraud and mismanagement, if any. The details of the Policy 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:

S.No.	Name of the Director	Category
1.	Mr. N. Subramanian@	Independent Director
2.	Mr. Raj Kataria	Independent Director
3.	Mr. R. Sampath	Director (Promoter)
4.	Mr. P. Shankar#	Independent Director

@ Inducted from 28/10/2017 # Ceased from 31/07/2017

A detailed note is given in the Corporate Governance report.

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

The Company's total spending on CSR is **2.97%** of the average profit after taxes in the previous three financial years towards Health Programmes.

Statement pursuant to Listing Agreement

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

Report on Corporate Governance

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

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and 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 Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, Execution and Performance of specific duties, obligations and governance.

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

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

The Directors expressed their satisfaction with the evaluation process.

Appraisal of Board's performance

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

Board evaluation contributes significantly to improved performance and aims at,

- Improving the performance of Board 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 your Company to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

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

Statutory Auditors

M/s. Walker 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 29, 2017, to hold office from the conclusion of the Forty Third AGM till conclusion of the Forty Eighth AGM to be held in the year 2021.

Internal Auditors

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

Cost Auditors

Mr. G. Sundaresan, Cost Accountant, was appointed as Cost Auditor to conduct cost audit of the cost records maintained by our Company in respect of products manufactured during the Financial Year 2017-18. The Cost Audit Report was filed with MCA, Government of India, by the Company on August 08, 2017, well before September 30, 2017, the due date of filing for the Financial Year 2016-17.

Secretarial Audit

The Board appointed M/s. R.M. Mimani & Associates LLP, Company Secretaries, to conduct Secretarial Audit for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year ended March 31, 2018 is attached to this Report. The Secretarial Audit Report does not contain any qualification, or reservations or adverse remark.

Extracts of Annual Return

Extracts of Annual Return of the Company for the year ended March 31, 2018 are attached to this Report.

Personnel

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

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

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

Name of Director Ratio

1. Mr. R. Parthasarathy (Managing Director) 110.77 : 1
2. Mrs. Ramya Bharathram (Executive Director) 42.10 : 1
3. Mr. P. Mohana Chandran Nair (Executive Director) 15.95 : 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) : 36.10 %

Mr. P. Krishnamoorthy – (Chief Financial Officer) : 16.81 %

Mr. T. Rajagopalan – (Company Secretary) : 19.68 %

c) The percentage increase in the median remuneration of employees in the Financial Year: 7.18 %

d) The number of permanent employees on the rolls of Company: 461

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

The Company's PAT has grown from ₹ 741 Million to ₹ **1440 Million**, an increase of **94%** against which the average increase in remuneration is 22.99%; and this increase is aligned with the Compensation Policy of the Company.

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

Name	Designation	Remuneration in ₹*	% Increase in Remuneration	PAT ₹ in Million*	% Increase in PAT
Mr.R. Parthasarathy	Managing Director	37,705,028	36.10 %	1440	94%
Mr.P. Krishnamoorthy	Chief Financial Officer	5,595,800	16.81 %		
Mr. T. Rajagopalan	Company Secretary	3,173,670	19.68 %		

*It consists of Salary/Allowance & Benefits.

The remuneration of the Managing Director Mr. R. Parthasarathy includes the commission of ₹ 20 Million, which works out to approximately 1.39 % to the net profit for the Financial Year ended March 31, 2018.

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

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

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

Date	Issued Capital (No. of Shares)	Closing Market Price per share ₹	EPS in ₹	PE Ratio	Market Capitalisation (₹ in Cr)
31.03.2017	10238812	883.35	72.41	12.20	904.45
31.03.2018	10238812	1702.60	140.63	12.11	1743.26
Increase / (Decrease)	NA	819.25	68.22	(0.09)	838.81
% of Increase/ (Decrease)	NA	92.74	94.21	(0.74)	92.74
Issue Price of the share at the last Pubic Offer (IPO)		10			
Increase in market price as on 31.03.2018 as compared to Issue Price of IPO		1692.60			
Increase in %		16926			

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 **11.36 %** for Employees other than Managerial Personnel & **17.83 %** 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 (*Executive Director)* and Mr. P. Mohana Chandran Nair, *(Executive Director),* no Directors have been paid any remuneration, as only sitting fees are paid to them. The said Directors have not been paid any variable remuneration. The Directors are eligible for a commission on Net Profits 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, 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

Mumbai	**R. Parthasarathy**	**R. Ravishankar**
3rd May 2018	Managing Director (DIN:00092172)	Director (DIN:01224361)

ANNEXURE TO DIRECTORS' REPORT

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES FOR THE YEAR ENDED 31ST MARCH, 2018

(In Million)

S. No	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserve	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit/ (Loss) Before Taxation	Profit / (Loss) After Taxation	Proposed Dividend
1	Cheminvest Pte Ltd	USD	65.04	390	436	133.50		14.17	5.33	3.62	-
2	OOSB	USD	65.04	827	593.85	1317.95		3359.17	361.85	273.30	-
3	Lapiz Europe Ltd	GBP	92.28	0.01	1.25	0.63		5.11	1.81	1.51	-

Annexure-A

Reporting of Corporate Social Responsibility (CSR)

1. Period for which CSR is being reported : From 01/04/2017 to 31/03/2018
2. a) Whether information includes information about subsidiary Company(s): No

   b) If yes, then indicate number of such subsidiary Company(s): NA
3. a) Whether information includes information about any other entity(s) : No

   (eg. Supplies, value chain, etc)

   b) If yes, then indicate number of such entity(s): NA
4. a) Does the Company have a written CSR Policy : Yes

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

S. No.	Name of the Director	Category
1.	Mr. N. Subramanian @	Independent Director
2.	Mr. Raj Kataria	Independent Director
3.	Mr. R. Sampath	Director (Promoter)
4.	Mr. P. Shankar #	Independent Director

@ Inducted from 28/10/2017

Ceased from 31/07/2017

6. Average net profit of the Company for the last three years: ₹ 681,115,944/-
7. Prescribed CSR Expenditure (min. two percent of the amount as in item 6 above): ₹13,622,319/-
8. Details of CSR spent during the Financial Year:- 2017-18

   a) Total amount to be spent for the Financial Year : ₹ 13,622,319

   b) Amount unspent, if any : NA

c) Manner in which the amount was spent during the Financial Year is detailed below:-

S. No	CSR Project or Activity Identified	Sector in which the Project is covered	Project or Program 1) Local Area or Other 2) Specify the State and district where project or program was undertaken	Amount of Outlay (Budget) Project or Program-wise (₹ in Lakhs)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs 2) Overheads (₹ in Lakhs)	Cumulative Expenditure up to the reporting period i.e. FY 2017-2018 (₹ in lakhs)	Amount Spent Direct or through Implementing Agency
1	Health	Primary and Secondary Healthcare	Vellore District, Taminadu	20,200,000/-	20,200,000/-	40,200,000	Thirumalai Charity Trust

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

Sd/-	Sd/-
Mr. R. Sampath	Mr. N. Subramanian
Director (DIN:00092144)	Director (DIN:00336468)

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 31,2018 and forming part of the Directors' Report.

S L. 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 Million	Previous Employment / Designation
1.	Mr. C. G.Sethuram	Chief Executive Officer	B.Tech., PGDM	62 Yr	12th August 2013	39 years	Contractual	General Management	23.90	ED (emerging business), Archean Group
2.	Mr.S.V.S. Rama Raju	President	B.Tech., Chem Eng.	58 Yr	11th August 2014	35 years	Contractual	General Management	11.22	President - Operations Nagarjuna Agrichem Ltd
3.	Mr. S. Venkatraghavan	Executive Vice President	M.Sc, M.Tech , MBA,	57 Yr	16th July 2014	28 years	Contractual	General management	7.49	Executive Vice President - Sales & Marketing Cabot Sanmar Ltd.
4	Mr. Sanjeev Gokhale	Vice President-International Marketing	B.Tech and MMS	57 Yr	2nd September 2016	30 + years	Contractual	General Management	6.85	Head-Chemicals of Tata Africa Holding (Tanzania) Ltd

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

Annexure C

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

CONSERVATION OF ENERGY:

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

	Fuel Consumption	Units	Year Ending 2017 - 2018	Year Ending 2016 - 2017
1	**Electricity**			
	a) Purchased Units	KWHR	3,911,450	3,821,700
	Total Amount Paid	₹	33,996,642	33,102,561
	Rate per Unit	₹	8.69	8.66
	b) Own Generation	KWHR	4,514,742	2,517,866
	Unit / Ltr of HSD	KWHR/LTR	2.64	3.11
	Cost per Unit	₹	22.20	17.94
2	Coal : Not consumed in the process	KWHR	Nil	Nil
3	**Furnace Oil**			
	Total Quantity	KL	6,435	7,092
	Total Amount	₹	163,182,593	177,355,646
	Average Rate	₹	25,359	25,009
4	**Other Internal Generations**	KWHR	25,433,624	25,861,192
5	Consumption Per Tonne of Production			
	Electricity	KWHR	30.23	31.94
	Furnace Oil	Ltr	49.73	59.28
	Others (Diesel)	Ltr	13.21	6.77

II. Technology Absorption, Adaptation and Innovation.

Research and Development

1) Specific Areas in which R & D activities were 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.
   d) Significant Energy, Water, Chemicals Reduction in our Derivatives Plants.
3) Future plan of action.
   a) Technology development to enable higher capacity utilization, debottlenecking and lower Input use.
4) Capital Expenditure on R & D

	Particulars	**2017-18**	2016-17
a)	Capital	**₹ 22 Million**	-
b)	Recurring	**₹ 30 Million**	₹ 27 Million
c)	Total	**₹ 52 Million**	₹ 27 Million
	Total R&D expenditure as a % of sales	**0.51 %**	0.32%

5. Technology Absorption, Adaptation and Innovation:
   - 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.
   - Benefits derived as a result of the above efforts.
   - Improvement in the quality of the products, increase productivity and reduced cost of production in all products.
   - Particulars of Technology imported during the last 5 Years: None.
   - Techno-commercial studies of fine chemicals
   - Food acidulants- awareness to customers, technical services to users of our products.

III) Foreign Exchange Earning and Outgo

	2017-18	2016-17
Export earnings –	**₹ 1430 Million**	(₹ 1088.80 Million)
Outgo –	**₹ 553 Million**	(₹ 796.05 Million)

For and on behalf of the Board of Directors

Mumbai,
3rd May 2018

R. Parthasarathy
Managing Director
DIN :(00092172)

R. Ravishankar
Director
(DIN:01224361)

CORPORATE GOVERNANCE REPORT 2017-18

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

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes that to succeed and grow, our policies and practices have to be ethical, compliant with laws & regulations and sustainable, while being competitive.

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 assists 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, two Executive Directors and six Non-Executive Directors.
2) All Directors other than Mr.R. Sampath (Director), Mrs. Ramya Bharathram, Mr. R. Parthasarathy and P. Mohana Chandran Nair are independent Directors. Mr. R. Sampath is the brother of Mr. R. Parthasarathy (CMD) and the father of Mrs. Ramya Bharathram (ED).

b) Board Meetings:

The Board meets regularly at quarterly intervals and holds additional meetings as and when appropriate and needed. Six meetings of the Board of Directors were held during FY 17-18 on the 20th May, 22nd July, 23rd September, 10th November, 20th December of 2017; and on the 17th January of 2018. All operational and statutorily required information was placed before, and significant events reported to the Board.

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

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

The details of attendance of each Director at the six Board Meetings held during the financial year 2017-2018, at the last AGM and other particulars of Directorships are given below:-

Name of the Director	Attendance at		No. of Directorships in Other Public Companies	Board Sub-Committees (Audit Committee and Stakeholders Relationship Committee)	
	Board Meetings	Last AGM		Membership	Chairmanship
Mr. R. Parthasarathy[1]	4	Yes	1	-	-
Mr. A. Janakiraman[2]	2	Yes			
Mr. P. Shankar[2]	1	No			
Mr. N.Subramanian	6	Yes	1	1	-
Mr. Raj Kataria	4	Yes	2	3	1
Mr. R. Ravi Shankar	6	Yes	-	1	1
Mr. Dhruv Moondhra	4	Yes	-	-	-
Mr. R. Sampath	5	Yes	1	2	-
Mrs. Ramya Bharathram	4	Yes	1	-	-
Mr. P. Mohana Chandran Nair	5	Yes	-	-	-
Mr. Arun Ramanathan[3]	6	NA	3	4	2

[1] Chairman & Managing Director

[2] Ceased to be a Director from July 31, 2017

[3] Inducted as an Independent Director on July 22, 2017 (Additional Director on October 19, 2016)

c) Remuneration of Directors:

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

Details of remuneration paid to the Managing Director and the Whole-time Directors during the year ended March 31,2018 are:

Name	Position	Salary ₹	Commission ₹	Contribution to P.F. and other Fund ₹	Perquisites & others ₹	TOTAL
Mr. R. Parthasarathy	Managing Director	16,350,000	20,000,000	1,296,000	59,028	37,705,028
Mrs. Ramya Bharathram	Whole-time Director	9,240,666	4,200,000	545,440	344,266	14,330,372
Mr. P. Mohana Chandran Nair	Whole-time Director	5,022,769	-	256,800	148,005	5,427,574

Sitting fees payable to the Non-Executive Directors for attending Board and eligible Committee meetings. The Non-Executive Directors are also paid commission on an annual basis, in such proportion as 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 2017-18)

Name of the Director	Sitting fees paid (₹)
Mr. P. Shankar	120,000
Mr. A. Janakiraman	120,000
Mr. N. Subramanian	860,000
Mr. Raj Kataria	560,000
Mr. R.Ravi Shankar	840,000
Mr. Dhruv Moondhra	420,000
Mr.Arun Ramanathan	480,000
Mr. R.Sampath	800,000

d) Details of the Shares held by Non-Executive Directors as on March 31, 2018

Name of the Director	No. of Shares held*
Mr. R.Sampath	491,310
Mr. Raj Kataria	50
Mr. N. Subramanian	60
Mr. Dhruv Moondhra	100

* Incl. Trust holdings

BOARD COMMITTEES

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

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

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. P. Shankar [1]	Independent Director	2
3.	Mr. N. Subramanian	Independent Director	5
4.	Mr. Raj Kataria	Independent Director	5
5.	Mr.Arun Ramanathan [2]	Independent Director	2
6.	Mr. R. Sampath	Director	5

[1]Ceased to be a member from July 31, 2017

[2] Inducted as a member on October 28, 2017

Five Meetings of the Audit Committee of the Board of Directors were held during the year 2017-18 on the 19th May, 21st July, 23rd September, 9th November of 2017; and on the 17th January of 2018

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.
- Guiding & Reviewing the Risk Management process
- Reviewing the Company's financial reporting process.
- Reviewing the Quarterly and Annual results before it is considered by the Board of Directors, the Group Company transactions, Internal Auditors Report and the Action Taken Report thereon.

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

- Reviewing the :
  - o Internal Audit plan of the Company for FY2019 , the Internal Audit reports prepared by the Group Audit and Risk Assurance Department of the Company ("GARA"), reviewing the Audit plans of external Auditors and their remuneration
  - o Performance, Constitution and Terms of Reference of the Audit Committee
  - o Company's programs on Bank Charges / Commitment charges and helped to review the system to streamline and speed up collection of relevant Forms.
  - o 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:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. A. Janakiraman [1]	Independent Director & Chairman	1
2.	Mr. Raj Kataria	Independent Director	1
3.	Mr. Arun Ramanathan [2]	Independent Director	-
4.	Mr. R. Sampath	Director	1

[1]Ceased to be a member from July 31, 2017

[2] Inducted as a member on October 28, 2017

One Meeting of the Stakeholders Relationship Committee of the Board of Directors was held during the year 2017-18 on 22nd July 2017.

The Stakeholders Relationship Committee deals with the following matters:

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

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

During FY-18 , the work carried out by Stakeholders Relationship Committee includes :

- Prompt resolution of all queries/complaints from Shareholders and Investors.
- The process of share transfer was delegated to an R&T and is carried out in compliance with the Listing Agreement which will be confirmed and ratified by the Board at each subsequent meeting.
- It may be noted that the shareholding in dematerialized mode as on 31st March, 2018 was 97.02 %.

C) BUSINESS REVIEW COMMITTEE:

The Business Review Committee constitutes of the following members:

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

Three meetings were conducted during 2017-18 on the 21st July, 9th November of 2017; and on the 20th February of 2018.

The objectives of the Business Review Committee are:

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

Besides the above matters, during FY-18, 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 2018-18.

D) NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee constitutes of the following members:

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

Two meetings were conducted during 2017-18, on 20th May 2017 and 17th January 2018.

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-18, the work carried out by the Nomination and Remuneration Committee was :

- Reviewed the structure of the Board , and the independence of independent Non-Executive Directors
- Made recommendations in relation to the re-appointment of the retiring Directors and appointment of the Chief Executive Officer
- Reviewed the remuneration policy & structure for Directors and Senior Management
- Made recommendations to the Board regarding the Directors' fee and other allowances for FY 2018-19
- Determining the remuneration of Senior Management.
- Made recommendation in relation to the remuneration for the Chief Executive Officer & Executive Directors.

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

Specific Criteria for evaluation of performance of independent Directors

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

E) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee comprises of the following members:

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

[1]Ceased to be a member from July 31, 2017

[2] Inducted as a member on October 28, 2017

Two meetings were conducted during 2017-18 on 19th May and 9th November 2017.

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

During FY-18, based on the recommendation of the CSR Committee, your Company made a donation of ₹ 202 lakhs towards CSR activities.

F) INVESTMENT, FINANCE AND BANKING COMMITTEE:

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

S.No	Name Of The Director	Category	No. of Meetings Attended
1.	Mr. R. Parthasarathy	Managing Director & Chairman	1
2.	Mr R Ravishankar	Independent Director	1
3.	Mr. Raj Kataria	Independent Director	-
4.	Mr. N. Subramanian [1]	Independent Director	1

[1] Inducted as member on December 14, 2017

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

Familiarization programmes for Directors

Details of the programmes 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

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 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

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

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

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

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

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

Remuneration Policy for the Senior Management Employees

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

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

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

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

VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

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

No complaint had been registered during 2017-18. No personnel have been denied access to the Committee/Mechanism.

GENERAL BODY MEETINGS

The Forty Fourth Annual General Meeting of the Company for the Financial Year 2017-2018 will be held on July 24, 2018 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
2016-2017	22/07/2017	3.00 p.m.	Mysore Association Auditorium Bhaudaji Road, Matunga- (C.Rly) Mumbai.

Special resolution was passed for the for reappointment of Mrs. Ramya Bharathram as a Whole-time Director for a period of three years from November 03, 2017.

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

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

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

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

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

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

DISCLOSURES:

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

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

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

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

CODE OF CONDUCT:

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

All Board members and Senior Management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2018. 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. 18(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Mr. R.Parthasarathy, Managing Director and Mr. P. Krishnamoorthy, Chief Financial Officer have certified to the Board regarding Financial Statements for the year ended 31st March, 2018.

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 Reg. 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 45th AGM	:	24th July 2018, 2.30 pm at Mysore Association Auditorium, Bhaudaji Road, Matunga-(C.Rly) Mumbai
2)	Date of Book Closure	:	18th July, 2018 to 24th July, 2018 (both days inclusive)
3)	Dividend payment date, if declared at the AGM	:	on or before August 3, 2018
4)	Listing on Stock Exchanges	:	BSE Ltd. (BSE) and National Stock Exchange Ltd. (NSE).
5)	Listing fees	:	Paid as per the listing agreement.
6)	ISIN No	:	INE 338A01017.
7)	BSE Stock code	:	500412
	NSE Stock code	:	TIRUMALCHM
8)	Registered office	:	Thirumalai House, Road No.29, Sion-East, Mumbai-400 022 Tel: +91-22- 24018841/7861/7853/7869/7834 Fax: +91-22-24011799/4754 E-mail : rajagopalan.t@thirumalaichemicals.com
9)	Registrar & Share Transfer Agent	:	Link Intime India Pvt Ltd C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060 E-mail- rnt.helpdesk@linkintime.co.in Web site : www.linkintime.co.in
10)	Compliance Officer	:	Mr. T. Rajagopalan, Company Secretary Thirumalai Chemicals Limited Thirumalai House, Road No.29, Sion (East), Mumbai- 400 022. Tel: +91-22-24018841/61/53. Fax: +91-22-24011799. E-mail- rajagopalan.t@thirumalaichemicals.com
11)	Share Transfer system	:	The Company's shares are traded in the Stock Exchanges which are compulsorily in demat mode. Shares sent for physical transfer are registered promptly within 15 days from the date of receipt of completed and validly executed documents.
12)	Financial Calendar	:	Annual Results - 3rd May, 2018 Mailing of Annual Reports - By 28th June, 2018 Results for the Quarter ending: June 30, 2018 - By 14th August, 2018 September 30, 2018 - By 15th Nov, 2018 December 31, 2018 - By 14th Feb, 2019 March 31, 2018 - By 31st May, 2019
13)	Dematerializations of shares	:	As on 31/3/2018, 97.02% of the Company's Shares representing 99,33,469 shares were held in the dematerialized form.
14)	Plant Location	:	Ranipet, Vellore District, Tamil Nadu. Tel: +91-4172-244441; Fax: +91-4172-244308. E-Mail: mail@thirumalaichemicals.com

15) Categories of Shareholders (as on 31/3/2018):

Category	No. of shares	% of shareholding
Promoters, Directors & their Relatives	1,544,220	15.08
Group companies	2,700,182	26.37
Financial Institutions / Banks/ Mutual Funds/ Foreign Portfolio Investors	746,300	7.28
Insurance companies	600	0.01
NRIs	217,816	2.13
Companies / Bodies corporates	704,784	6.89

Category	No. of shares	% of shareholding
General Public	3,979,691	38.87
Clearing members	209,119	2.04
Trusts	1,600	0.02
HUFs	134,500	1.31
TOTAL	**10,238,812**	**100.00**

17) Distribution of Shareholding as on 31.03.2018:

No. of shares	No. of shareholders/Folios	% of shareholders	Shareholding	% of shareholding
Up to 500	28,465	95.29	1,955,463	19.10
501- 1000	738	2.47	557,359	5.44
1001-2000	337	1.13	503,404	4.92
2001-5000	185	0.62	573,241	5.60
5001-10000	68	0.23	498,445	4.87
Above 10000	78	0.26	6,150,900	60.07
Total	**29,871**	**100.00**	**10,238,812**	**100.00**

17) Stock market price data for the year 2017-2018:

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 25269.64 closing 25597.02

Indices : NIFTY 50 opening 7718.15 closing 7,738.40

Month	BSE			NSE		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
April, 2017	931.00	856.05	145,827	930.00	855.10	721,432
May, 2017	1,010.00	811.30	453,469	1,011.10	811.05	1,713,502
June, 2017	878.95	820.00	67,164	880.00	820.00	469,516
July, 2017	1,263.85	826.25	778,300	1,263.00	826.10	4,000,357
August, 2017	1,306.90	1,086.00	594,647	1,306.00	1,083.00	2,355,952
September, 2017	1,716.25	1,230.00	882,247	1,715.00	1,240.00	4,231,053
October, 2017	1,948.55	1,461.10	701,815	1,949.00	1,465.00	3,548,752
November, 2017	2,318.55	1,844.00	853,917	2,318.00	1,841.05	3,931,826
December, 2017	2,255.00	1,866.35	450,767	2,260.00	1,870.00	2,238,707
January, 2018	2,437.00	1,990.00	623,675	2,440.00	1,983.00	3,002,180
February, 2018	2,239.55	1,652.00	416,131	2,240.00	1,690.70	1,605,812
March, 2018	2,015.00	1,649.00	205,199	2,019.00	1,639.05	988,717

For Thirumalai Chemicals Limited

Mumbai,
3rd May, 2018

R. Parthasarathy
Managing Director
(DIN: 00092182)

R. Ravishankar
Director
(DIN: 01224361)

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

In accordance with under Reg. 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, 2018.

For Thirumalai Chemicals Limited

R.Parthasarathy
Managing Director
(DIN: 00092182)

Mumbai, 3rd May, 2018

SUSTAINABILITY REPORT

Since its inception, your Company has operated with a strong sense of social responsibility. We have always complied with the most stringent global standards in emissions, long before Pollution Control rules were first mandated by the Government of India. We take pride in abiding by and consistently exceeding these guidelines and other norms every year.

In addition to providing the 'Best Value' to our Customers, your company is driven by the goal of becoming a fully self-sustaining company in terms of energy and has taken a variety of measures towards reinforcing our status as a 'Responsible Care' company. We have been an RC Logo holder since 2006 and were awarded the 'Best Responsible Care Company' in India a year later. We do not take this recognition for granted; we seek to constantly find gaps and improve - a testament to our focus on playing an active and responsible role in the communities we live and operate in.

This year, we have taken good steps in minimizing our consumption of critical resources – raw materials, power & water, and reducing the overall environmental footprint by improving the efficiency of our processes.

We remain a Zero Liquid Discharge (ZLD) company, in spite of operating a large complex with many plants and products. Water consumption is constantly reduced, and all waste waters are recycled after recovering and valuable chemicals which are then converted to fine-chemical products. These are part of a continuous improvement programme that has given us good results.

Our *Specific Energy* (power and heat) consumption in the last two decades has reduced by 78% while our *Specific water consumption* (water consumed per ton of product) has gone down by 70% in the last 15 years. On an inland site and in a seriously water and energy deficit State, this is vital to our neighbours in the area.

We have further intensified these measures keeping in mind the declining water table by encouraging and implementing many *'Reduce, Recycle and Reuse'* ideas developed by our employees.

Our training and development programmes for young persons from rural communities and towns, started in 1978 have been well recognized. A majority of our employees at all levels, including in R&D and Management, joined the Company as young trainees. This programme is now being further extended to training local youth to become good craftsmen and technicians in an effort to generate more employment in these communities. We plan to extend these to our new site in Gujarat.

Your Company continues to work alongside the Thirumalai Charity Trust (since 1973), the Akshaya Vidhya Trust (since 1994), and the Thirumalai Mission Hospital (since 2010). These provide affordable and quality healthcare and education in the communities we operate in. The Corporate Social Report describes these initiatives in further detail.

Our founders Shri. N.S. Iyengar and Shri. N.R. Swamy managed their business on the principle that Ethical conduct must be the root of our decisions, actions and behaviour. These form the abiding values of our organization and define our approach to sustainability.

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 27 July 2017.
2. We have examined the compliance of conditions of corporate governance by Thirumalai Chemicals Limited ('the Company') for the year ended on 31 March 2018, 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 the conditions of corporate governance is the responsibility of 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, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2018.

   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

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date: 03 May 2018

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN: **L24100MH1972PLC016149**

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

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

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

v) Address of the Registered office and contact details

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

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

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

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

Tel. : 022-2594 6970

Fax : 022-2594 6969

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Phthalic Anhydride	24119	80%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

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

CATEGORY OF SHAREHOLDERS	NUMBER OF SHARES HELD AT THE BEGINNING OF THE YEAR				NUMBER OF SHARES HELD AT THE END OF THE YEAR			
	DEMAT	PHYSICAL	TOTAL	%	DEMAT	PHYSICAL	TOTAL	%
C. INSTITUTIONS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
D. ANY OTHERS (SPECIFY)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB TOTAL (A()(2):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP (A)= (A)(1) +(A)(2)	4314311	14	4314325	42.14	4245088	14	4245102	41.46
B. PUBLIC SHAREHOLDING								
1. INSTITUTIONS								
A. MUTUAL FUNDS/UTI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
B. FINANCIAL INSTITUTIONS/BANKS	10208	1249	11457	0.11	34018	1249	35267	0.34
C. CENTRAL GOVERNMENT/STATE GOVERNMENT(S)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
D. VENTURE CAPITAL FUNDS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
E. INSURANCE COMPANIES	NIL	600	600	0.01	NIL	600	600	0.01
F. FOREIGN INSTITUTIONAL INVESTORS	NIL	NIL	NIL	NIL	607274	NIL	607274	5.93
G. FOREIGN VENTURE CAPITAL INVESTORS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
H. ANY OTHER (SPECIFY)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB TOTAL (B)(1):	10208	1849	12057	0.12	641292	1849	643141	6.29
B2. NON - INSTITUTIONS								
A. BODIES CORPORATE	721469	6979	728448	7.11	709002	6979	715981	6.99
B. INDIVIDUALS								
I. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UP TO ₹2 LAKHS	3071194	326429	3397623	33.18	2811947	312862	3124809	30.52
II. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF ₹2 LAKHS	1319652	NIL	1319652	12.89	898281	NIL	898281	8.77
C. ANY OTHER (SPECIFY)								
CLEARING MEMBERS	70995	NIL	70995	0.69	209955	NIL	209955	2.05
NRIs	205499	535	206034	2.01	212902	535	213437	2.08
HUF	188928	NIL	188928	1.85	187356	NIL	187356	1.83
TRUSTS	750	NIL	750	0.01	750	NIL	750	0.01
SUB TOTAL (B) (2):	5578487	333943	5912430	57.74	5030193	320376	5350569	52.26
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)	5588695	335792	5924487	57.86	5671485	322225	5993710	58.54
C. SHARES HELD BY CUSTODIAN FOR GDR'S & ADR'S	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
GRAND TOTAL (A + B + C)	**9903006**	**335806**	**10238812**	**100.00**	**9916573**	**322239**	**10238812**	**100.00**

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

Sl. No.	Name of Promoter		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	R. SAMPATH		214547	2.10	214547	2.10	No change
2	PARTHASARATHY RANGASWAMY		206769	2.02	206769	2.02	No change
3	RAMYA BHARATHRAM		28677	0.28	28677	0.28	No change
4	BHOOMA PARTHASARATHY		213795	2.09	213795	2.09	No change
5	INDIRA SUNDARARAJAN		185471	1.81	185471	1.81	No change
6	MEERA PARTHASARATHY		20438	0.20	20438	0.20	No change
7	TARA PARTHASARATHY		23888	0.23	23888	0.23	No change
8	V.S. SUNDARARAJAN		5873	0.06	5873	0.06	No change
9	UTTARA B.		4000	0.04	4000	0.04	No change
10	SUJATHA SAMPATH		93771	0.92	93771	0.92	No change
11	S. VIDHYA		46813	0.46	46813	0.46	No change
12	SANTHANAM SUNDARARAJAN		25000	0.24	25000	0.24	No change
13	S.SANTHANAM		24452	0.24	24452	0.24	No change
14	S.VARADHARAJAN		20991	0.20	20991	0.20	Beginning
Less	20/12/2017	Market Sale	700	0.01	20291	0.19	Change
	At the end of the year				20291	0.19	

Sl. No.	Name of Promoter		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
15	S.NARAYAN		2000	0.02	2000	0.02	No change
16	GEETHA S.		18394	0.18	18394	0.18	No change
17	N. R. SWAMY		188	0.00	188	0.00	No change
18	S. SRIDHAR H.U.F		14	0.00	14	0.00	No change
19	RANGASWAMYPARTHASARATHY HUF		34926	0.34	34926	0.34	No change
20	RANGSWAMY SAMPATH HUF		16188	0.16	16188	0.16	No change
21	MS FAMILY TRUST		94603	0.92	94603	0.92	No change
22	RS FAMILY TRUST		83165	0.81	83165	0.81	No change
23	VS FAMILY TRUST		82807	0.81	82807	0.81	No change
24	TP FAMILY TRUST		49330	0.48	49330	0.48	No change
25	MP FAMILY TRUST		48820	0.48	48820	0.48	No change
26	ULTRAMARINE & PIGMENTS LTD		2045177	19.97	2045177	19.97	No change
27	JASMINE LTD		655005	6.40	214547	2.10	No change
	Total		4245102	41.46	4244402	41.45	

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

Sl. Nos.	Name of Shareholder (DP id wise)		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	ANIL KUMAR GOEL (1203760000210771)		230000	2.25	230000	2.25	
Less	04 Aug 2017	Market sale	(2000)	0.02	228000	2.23	Change
Less	11 Aug 2017	Market sale	(2000)	0.02	226000	2.21	Change
Less	08 Sep 2017	Market sale	(6000)	0.06	220000	2.15	Change
Less	15 Sep 2017	Market sale	(2000)	0.02	218000	2.13	Change
Less	22 Sep 2017	Market sale	(2000)	0.02	216000	2.11	Change
Less	20 Oct 2017	Market sale	(2000)	0.02	214000	2.09	Change
Add	10 Nov 2017	Market Purchase	2000	0.02	216000	2.11	Change
Add	19 Jan 2018	Market Purchase	2000	0.02	218000	2.13	Change
	At the end of the year				218000	2.13	
2	DOLLY KHANNA (IN30015910002665)		180878	1.77	180878	1.77	
Less	21 Apr 2017	Market sale	(500)	0.00	180378	1.77	Change
Less	30 Jun 2017	Market sale	(600)	0.01	179778	1.76	Change
Less	07 Jul 2017	Market sale	(480)	0.01	179298	1.75	Change
Add	28 Jul 2017	Market Purchase	425	0.01	179723	1.76	Change
Less	04 Aug 2017	Market sale	(400)	0.01	179323	1.75	Change
Less	11 Aug 2017	Market sale	(743)	0.01	178580	1.74	Change
Less	15 Sep 2017	Market sale	(1225)	0.01	177355	1.73	Change
Less	27 Oct 2017	Market sale	(1750)	0.01	175605	1.72	Change
Less	03 Nov 2017	Market sale	(270)	0.01	175335	1.71	Change
Less	10 Nov 2017	Market sale	(1797)	0.02	173538	1.69	Change
Less	17 Nov 2017	Market sale	(2329)	0.02	171209	1.67	Change
Less	24 Nov 2017	Market sale	(250)	0.00	170959	1.67	Change
Less	01 Dec 2017	Market sale	(921)	0.01	170038	1.66	Change
Less	08 Dec 2017	Market sale	(260)	0.00	169778	1.66	Change
Less	15 Dec 2017	Market sale	(479)	0.01	169299	1.65	Change
Less	22 Dec 2017	Market sale	(962)	0.01	168337	1.64	Change
Less	29 Dec 2017	Market sale	(1116)	0.01	167221	1.63	Change
Less	05 Jan 2018	Market sale	(1005)	0.01	166216	1.62	Change

Sl. Nos.	Name of Shareholder (DP id wise)		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
Less	12 Jan 2018	Market sale	(2404)	0.02	163812	1.60	Change
Less	19 Jan 2018	Market sale	(5835)	0.06	157977	1.54	Change
Less	26 Jan 2018	Market sale	(405)	0.00	157572	1.54	Change
Less	02 Feb 2018	Market sale	(1166)	0.01	156406	1.53	Change
Less	09 Feb 2018	Market sale	(553)	0.01	155853	1.52	Change
Less	16 Feb 2018	Market sale	(415)	0.00	155438	1.52	Change
Less	23 Feb 2018	Market sale	(445)	0.00	154993	1.52	Change
Less	02 Mar 2018	Market sale	(745)	0.01	154248	1.51	Change
Less	09 Mar 2018	Market sale	(755)	0.01	153493	1.50	Change
Less	16 Mar 2018	Market sale	(475)	0.01	153018	1.49	Change
	At the end of the year				153018	1.49	
3	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC (IN30016710118522)		74624	0.73	74624	0.73	
Add	09 Jun 2017	Market Purchase	5817	0.06	80441	0.79	Change
Add	22 Dec 2017	Market Purchase	6983	0.06	87424	0.85	Change
Add	12 Jan 2018	Market Purchase	2657	0.03	90081	0.88	Change
Add	02 Feb 2018	Market Purchase	26209	0.26	116290	1.14	Change
Add	09 Mar 2018	Market Purchase	5261	0.05	121551	1.19	Change
	At the end of the year				121551	1.19	
4	MONEYWISE FINANCIAL SERVICES PRIVATE LIMITED (IN30365510000974)		169067	1.65	169067	1.65	
Less	08 Sep 2017	Market Sale	(19067)	0.18	150000	1.47	Change
Add	15 Sep 2017	Market Purchase	2200	0.02	152200	1.49	Change
Less	22 Sep 2017	Market Sale	(21560)	0.21	130640	1.28	Change
Add	29 Sep 2017	Market Purchase	11500	0.11	142140	1.39	Change
Add	13 Oct 2017	Market Purchase	500	0.00	142640	1.39	Change
Less	20 Oct 2017	Market Sale	(500)	0.00	142140	1.39	Change
Add	27 Oct 2017	Market Purchase	17500	0.17	159640	1.56	Change
Add	03 Nov 2017	Market Purchase	100	0.00	159740	1.56	Change
Less	10 Nov 2017	Market Sale	(600)	0.01	159140	1.55	Change
Add	17 Nov 2017	Market Purchase	918	0.01	160058	1.56	Change
Add	24 Nov 2017	Market Purchase	10663	0.11	170721	1.67	Change
Less	08 Dec 2017	Market Sale	(5000)	0.05	165721	1.62	Change
Less	15 Dec 2017	Market Sale	(5175)	0.05	160546	1.57	Change
Add	22 Dec 2017	Market Purchase	150	0.00	160696	1.57	Change
Less	29 Dec 2017	Market Sale	(25)	0.00	160671	1.57	Change
Less	05 Jan 2018	Market Sale	(7000)	0.07	153671	1.50	Change
Less	12 Jan 2018	Market Sale	(15787)	0.15	137884	1.35	Change
Less	19 Jan 2018	Market Sale	(1654)	0.02	136230	1.33	Change
Add	26 Jan 2018	Market Purchase	1287	0.01	137517	1.34	Change
Less	16 Feb 2018	Market Sale	(9000)	0.08	128517	1.26	Change
Less	02 Mar 2018	Market Sale	(8500)	0.09	120017	1.17	Change
Less	23 Mar 2018	Market Sale	(12050)	0.11	107967	1.06	Change
	At the end of the year				107967	1.06	
5	SHRIRAM INSIGHT SHARE BROKERS LTD. (1203840000009946)		72143	0.70	72143	0.70	
Add	07 Apr 2017	Market Purchase	27181	0.27	99324	0.97	Change
Add	14 Apr 2017	Market Purchase	45	0.00	99369	0.97	Change
Add	21 Apr 2017	Market Purchase	310	0.00	99679	0.97	Change
Less	28 Apr 2017	Market Sale	(180)	0.00	99499	0.97	Change

Sl. Nos.	Name of Shareholder (DP id wise)		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
Less	05 May 2017	Market Sale	(385)	0.00	99114	0.97	Change
Add	12 May 2017	Market Purchase	866	0.01	99980	0.98	Change
Add	19 May 2017	Market Purchase	154	0.00	100134	0.98	Change
Less	26 May 2017	Market Sale	(353)	0.01	99781	0.97	Change
Less	02 Jun 2017	Market Sale	(26)	0.00	99755	0.97	Change
Less	09 Jun 2017	Market Sale	(232)	0.00	99523	0.97	Change
Add	16 Jun 2017	Market Purchase	7207	0.07	106730	1.04	Change
Less	23 Jun 2017	Market Sale	(7580)	0.07	99150	0.97	Change
Add	30 Jun 2017	Market Purchase	7524	0.07	106674	1.04	Change
Less	07 Jul 2017	Market Sale	(7629)	0.07	99045	0.97	Change
Add	14 Jul 2017	Market Purchase	5448	0.05	104493	1.02	Change
Less	21 Jul 2017	Market Sale	(5392)	0.05	99101	0.97	Change
Add	28 Jul 2017	Market Purchase	1043	0.01	100144	0.98	Change
Add	04 Aug 2017	Market Purchase	248	0.00	100392	0.98	Change
Less	11 Aug 2017	Market sale	(104)	0.00	100288	0.98	Change
Less	18 Aug 2017	Market Sale	(133)	0.00	100155	0.98	Change
Less	25 Aug 2017	Market Sale	(98)	0.00	100057	0.98	Change
Less	01 Sep 2017	Market sale	(9335)	0.09	90722	0.89	Change
Less	08 Sep 2017	Market Sale	(29321)	0.29	61401	0.60	Change
Less	15 Sep 2017	Market Sale	(16133)	0.16	45268	0.44	Change
Less	22 Sep 2017	Market Sale	1212	0.01	46480	0.45	Change
Less	29 Sep 2017	Market sale	(817)	0.00	45663	0.45	Change
Less	06 Oct 2017	Market Sale	(477)	0.01	45186	0.44	Change
Add	13 Oct 2017	Market Purchase	471	0.01	45657	0.45	Change
Less	20 Oct 2017	Market Sale	(8342)	0.09	37315	0.36	Change
Less	27 Oct 2017	Market sale	(9603)	0.09	27712	0.27	Change
Add	03 Nov 2017	Market Purchase	233	0.00	27945	0.27	Change
Add	10 Nov 2017	Market Purchase	976	0.01	28921	0.28	Change
Add	17 Nov 2017	Market Purchase	293	0.01	29214	0.29	Change
Less	24 Nov 2017	Market Sale	(464)	0.01	28750	0.28	Change
Add	01 Dec 2017	Market Purchase	21	0.00	28771	0.28	Change
Add	08 Dec 2017	Market Purchase	53351	0.52	82122	0.80	Change
Less	15 Dec 2017	Market sale	-550	0.00	81572	0.80	Change
Add	22 Dec 2017	Market Purchase	9205	0.09	90777	0.89	Change
Add	29 Dec 2017	Market Purchase	142	0.00	90919	0.89	Change
Less	30 Dec 2017	Market Sale	(6799)	0.07	84120	0.82	Change
Add	05 Jan 2018	Market Purchase	1175	0.01	85295	0.83	Change
Add	12 Jan 2018	Market Purchase	648	0.01	85943	0.84	Change
Add	19 Jan 2018	Market Purchase	1057	0.01	87000	0.85	Change
Add	26 Jan 2018	Market Purchase	5605	0.05	92605	0.90	Change
Less	02 Feb 2018	Market sale	(312)	0.00	92293	0.90	Change
Less	09 Feb 2018	Market Sale	(124)	0.00	92169	0.90	Change
Less	16 Feb 2018	Market Sale	1841	0.02	94010	0.92	Change
Add	23 Feb 2018	Market Purchase	60	0.00	94070	0.92	Change
Less	02 Mar 2018	Market Sale	(126)	0.00	93944	0.92	Change
Less	09 Mar 2018	Market Sale	(228)	0.00	93716	0.92	Change
Add	16 Mar 2018	Market Purchase	337	0.00	94053	0.92	Change
Less	23 Mar 2018	Market sale	(436)	0.01	93617	0.91	Change
	At the end of the year				93617	0.91	
6	AJO EMERGING MARKETS SMALL-CAP MASTER FUND LTD. (IN30005410089571)		18963	0.19	18963	0.19	
Less	07 Apr 2017	Market Sale	(10606)	0.11	8357	0.08	Change
Less	21 Apr 2017	Market Sale	(8357)	0.08	0	0.00	Change

Sl. Nos.	Name of Shareholder (DP id wise)		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
Add	15 Dec 2017	Market Purchase	23777	0.23	23777	0.23	Change
Add	30 Dec 2017	Market Purchase	17580	0.17	41357	0.40	Change
Add	05 Jan 2018	Market Purchase	3159	0.03	44516	0.43	Change
Add	12 Jan 2018	Market Purchase	7163	0.07	51679	0.50	Change
Add	26 Jan 2018	Market Purchase	3086	0.03	54765	0.53	Change
Add	02 Feb 2018	Market Purchase	9809	0.10	64574	0.63	Change
Add	09 Feb 2018	Market Purchase	5644	0.06	70218	0.69	Change
Less	02 Mar 2018	Market Sale	(1887)	0.02	68331	0.67	Change
	At the end of the year				68331	0.67	
7	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG) (IN30005410013410)		0	0.00	0	0.00	
Add	15 Sep 2017	Market Purchase	5613	0.05	5613	0.05	Change
Add	22 Sep 2017	Market Purchase	3596	0.04	9209	0.09	Change
Add	29 Sep 2017	Market Purchase	1136	0.01	10345	0.10	Change
Add	06 Oct 2017	Market Purchase	568	0.01	10913	0.11	Change
Add	13 Oct 2017	Market Purchase	5498	0.05	16411	0.16	Change
Add	10 Nov 2017	Market Purchase	6381	0.06	22792	0.22	Change
Add	24 Nov 2017	Market Purchase	2949	0.03	25741	0.25	Change
Add	08 Dec 2017	Market Purchase	1805	0.02	27546	0.27	Change
Add	15 Dec 2017	Market Purchase	783	0.01	28329	0.28	Change
Add	22 Dec 2017	Market Purchase	4976	0.05	33305	0.33	Change
Add	29 Dec 2017	Market Purchase	1796	0.01	35101	0.34	Change
Add	12 Jan 2018	Market Purchase	2331	0.02	37432	0.36	Change
Add	19 Jan 2018	Market Purchase	1976	0.02	39408	0.38	Change
Add	26 Jan 2018	Market Purchase	2799	0.03	42207	0.41	Change
Add	02 Feb 2018	Market Purchase	4434	0.05	46641	0.46	Change
Add	09 Feb 2018	Market Purchase	2302	0.02	48943	0.48	Change
Add	16 Feb 2018	Market Purchase	2615	0.02	51558	0.50	Change
Add	23 Feb 2018	Market Purchase	3189	0.03	54747	0.53	Change
Add	02 Mar 2018	Market Purchase	341	0.01	55088	0.54	Change
	At the end of the year				55088	0.54	
8	SUDHIR CHANDULAL MEHTA (IN30002011215028)		39100	0.38	39100	0.38	
Add	05 May 2017	Market Purchase	21000	0.21	60100	0.59	Change
Add	12 May 2017	Market Purchase	15039	0.14	75139	0.73	Change
Add	19 May 2017	Market Purchase	2461	0.03	77600	0.76	Change
Less	04 Aug 2017	Market Sale	(17500)	(0.17)	60100	0.59	Change
Add	11 Aug 2017	Market Purchase	5000	0.05	65100	0.64	Change
Add	25 Aug 2017	Market Purchase	7055	0.06	72155	0.70	Change
Less	08 Sep 2017	Market Sale	(15000)	(0.14)	57155	0.56	Change
Less	15 Sep 2017	Market Sale	(4055)	(0.04)	53100	0.52	Change
Add	22 Sep 2017	Market Purchase	14500	0.14	67600	0.66	Change
Add	29 Sep 2017	Market Purchase	7700	0.08	75300	0.74	Change
Less	06 Oct 2017	Market Sale	(4000)	(0.04)	71300	0.70	Change
Less	20 Oct 2017	Market Sale	(2280)	(0.03)	69020	0.67	Change
Add	27 Oct 2017	Market Purchase	11920	0.12	80940	0.79	Change
Less	03 Nov 2017	Market Sale	(1000)	(0.01)	79940	0.78	Change
Less	01 Dec 2017	Market Sale	(400)	(0.00)	79540	0.78	Change
Add	08 Dec 2017	Market Purchase	400	0.00	79940	0.78	Change

Sl. Nos.	Name of Shareholder (DP id wise)		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
	Date	Reason for change	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
Less	15 Dec 2017	Market Sale	(2200)	(0.02)	77740	0.76	Change
Less	29 Dec 2017	Market Sale	(2654)	(0.03)	75086	0.73	Change
Less	05 Jan 2018	Market Sale	(4000)	(0.04)	71086	0.69	Change
Less	02 Feb 2018	Market Sale	(3000)	(0.03)	68086	0.66	Change
Less	16 Feb 2018	Market Sale	(3200)	(0.03)	64886	0.63	Change
Less	23 Feb 2018	Market Sale	(3750)	(0.03)	61136	0.60	Change
Less	02 Mar 2018	Market Sale	(2340)	(0.03)	58796	0.57	Change
Less	09 Mar 2018	Market Sale	(1600)	(0.01)	57196	0.56	Change
Less	16 Mar 2018	Market Sale	(1500)	(0.01)	55696	0.55	Change
Less	23 Mar 2018	Market Sale	(831)	(0.01)	54865	0.54	Change
	At the end of the year				54865	0.54	
9	PENSION RESERVES INVESTMENT TRUST FUND - ACADIAN (IN30016710119669)		3181	0.03	3181	0.03	
Add	08 Dec 2017	Market Purchase	15661	0.15	18842	0.18	Change
Add	22 Dec 2017	Market Purchase	7973	0.08	26815	0.26	Change
Add	05 Jan 2018	Market Purchase	3526	0.03	30341	0.29	Change
Add	26 Jan 2018	Market Purchase	11109	0.11	41450	0.40	Change
	At the end of the year				41450	0.40	
10	THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM-ACADIAN ASSET MANAGEMENT) (IN30016710081274)		34456	0.34	34456	0.34	
Less	23 Jun 2017	Market Sale	(4528)	(0.04)	29928	0.30	Change
Less	14 Jul 2017	Market Sale	(5083)	(0.05)	24845	0.25	Change
Less	03 Nov 2017	Market Sale	(5877)	(0.06)	18968	0.19	Change
Add	15 Dec 2017	Market Purchase	4713	0.04	23681	0.23	Change
Add	26 Jan 2018	Market Purchase	13813	0.13	37494	0.36	Change
Add	02 Mar 2018	Market Purchase	3703	0.04	41197	0.40	Change
	At the end of the year				41197	0.40	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Directors	Shareholding at the beginning of the year*		Shareholding at the end of the year*		Reasons for increase/ decrease
A		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	Mr. R.Parthasarathy	339845	3.32	339845	3.32	No change
2	Mr. R.Sampath	491310	4.80	491310	4.80	
3	Mrs. Ramya Bharathram	28677	0.28	28677	0.28	
4	Mr. S.Santhanam	49452	0.48	49452	0.48	
5	Mr. Raj Kataria	50	0.00	50	0.00	
6	Mr. N. Subramanian	0	0.00	60	0.00	Market purchase
7	Mr. Dhruv Moondhra	0	0.00	100	0.00	
B	**Key Managerial Personnel**					
1	Mr. P. Krishnamoorthy	Nil		Nil		Not applicable
2	Mr. T.Rajagopalan	Nil		Nil		

* including trust holdings

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Million

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **₹ in Million**

Sl. no.	Particulars of Remuneration	Mr.R.Parthasarathy, Managing Director	Mrs. Ramya Bharathram, Whole-time Director	*Mr.P. Mohana Chandran Nair, Whole-time Director*	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	16.35	9.24	5.02	30.61
2.	Stock Option	--	--		
3.	Sweat Equity	--	--		
4.	Commission				
	- as % of profit	20.00	4.20		24.20
	- others, specify...(PF contribution)	1.30	0.54	0.26	2.10
5.	Others				
	- Medical insurance policy	0.06	-	-	0.06
	- Gratuity provision	-	0.35	0.14	0.49
	Total (A)	37.71	14.33	5.42	57.46
	Ceiling as per the Act	109.93	109.93	5.42	225.28

B. Remuneration to other Directors: **₹ in Million**

Sl. no.	Particulars of Remuneration	Name of Directors							Total amount
1.	Independent Directors	*Mr. P. Shankar*	*Mr.A. Janaki raman*	*Mr.N. Subramanian*	*Mr. Raj Kataria*	*Mr. Ravi Shankar*	*Mr. Dhruv Moondhra*	*Mr. Arun Ramanathan*	
	• Fee for attending board committee meetings	0.12	0.12	0.86	0.56	0.84	0.42	0.48	3.40
	• Commission (provided*)								12.50
	• Others								Nil
	Total (1)	0.12	0.12	0.86	0.56	0.84	0.42	0.48	15.90

Sl. no.	Particulars of Remuneration	Name of Directors				Total amount
2.	Other Non-Executive Directors	Mr. R.Sampath				
	• Fee for attending board committee meetings • Commission* • Others	0.80				0.80
	Total (2)	0.80				0.80
	Total (B) = (1 + 2)					16.70
Total Managerial Remuneration (A+B)						74.16
Overall Ceiling as per the Act						247.81

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	*3.17*	*5.34*	*8.51*
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit Others - PF Contribution	-	0.25	0.25
5.	Others			
	Total	*3.17*	5.59	*8.76*

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Form No. MR.3

Secretarial Audit Report for the financial year ended on March 31, 2018

[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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 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, 2018 according to the provisions of:

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

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

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

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

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

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

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

   c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

VI. 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

   f. The Electricity Act, 2013

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

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

(ii) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and listing agreement entered into by the Company with Stock Exchanges in India.

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

During the financial year 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; and

b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999
e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
f) 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 at least seven days 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.

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 during the financial year under review, no specific events/actions having a major bearing on the affairs of the Company in pursuance of any of the above referred laws, rules, regulations, guidelines standards etc.

For **R M MIMANI & ASSOCIATES LLP**
[COMPANY SECRETARIES]
[Firm Registration No. I2001MH250300]

RANJANA MIMANI
(PARTNER)
FCS No: 6271
CP No. : 4234

Place: Mumbai
Dated: May 03, 2018

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. I2001MH250300]

RANJANA MIMANI
(PARTNER)
FCS No: 6271
CP No. : 4234

Place: Mumbai
Dated: May 03, 2018

Independent Auditor's Report

To the Members of Thirumalai Chemicals Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Thirumalai Chemicals Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information for the transition date opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS included in these standalone financial statements, is based on the previously issued statutory financial statements for the year ended 31 March 2016 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor, CNK & Associates LLP, whose report dated 14 May 2016 expressed an unmodified opinion on those standalone financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2017 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's report to the shareholders of the Company dated 20 May 2017. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

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

d) in our opinion, the aforesaid standalone financial statements comply with 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 2018 from being appointed as a director in terms of Section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 03 May 2018 as per Annexure B expressed 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:

   i. the Company, as detailed in Note 40 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 08 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date : 03 May 2018

Annexure 'A' to the Independent Auditor's Report

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties which are included under the head 'Property, plant and equipment' are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.

(b) the schedule of repayment of principal and payment of interest has been stipulated and repayment/receipts of the principal amount and interest are regular;

(c) there is no overdue amount in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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

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

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

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Deferral tax payable	8,448,007	Nil	2000-01 to 2005-06	High Court, Chennai
Tamil Nadu General Sales Tax Act, 1959	Advance tax – adjustment against Chemidye Manufacturing Company Pvt. Ltd. merger	1,673,318	418,329	2006-07	Appellate Deputy Commissioner of (CT), Vellore
Tamil Nadu Value Added Tax, 2006	Advance tax – adjustment against Chemidye Manufacturing Company Pvt. Ltd. Merger	598,887	149,722	2006-07	Appellate Deputy Commissioner of (CT), Vellore
Central Sales Tax Act, 1956	Non-filing of C forms	601,481	150,370	2006-07	Appellate Deputy Commissioner of (CT), Vellore
Central Sales Tax Act, 1956	Input tax credit reversal of export sales	783,001	195,750	2006-07	Appellate Deputy Commissioner of (CT), Vellore
Tamil Nadu Value Added Tax, 2006	Input tax credit reversal on SEZ sales	6,459	1,615	2011-12	Appellate Deputy Commissioner of (CT), Vellore
Central Sales Tax Act, 1956	Difference in tax rate and Form H not filed	125,177	31,294	2011-12	Appellate Deputy Commissioner of (CT), Vellore
Central Sales Tax Act, 1956	Input tax credit reversal on sales without Forms	24,422	6,106	2011-12	Appellate Deputy Commissioner of (CT), Vellore
Central Sales Tax Act, 1956	Input tax credit reversal on export sales	2,337,915	584,479	2011-12	Appellate Deputy Commissioner of (CT), Vellore
Tamil Nadu Value Added Tax, 2006	Advance tax – adjustment against Chemidye Manufacturing Company Pvt. Ltd.	537,299	134,325	2007-08	Appellate Deputy Commissioner of (CT), Vellore
Tamil Nadu Value Added Tax, 2006	Wrong availment of input tax credit	809,624	202,406	2008-09	Appellate Deputy Commissioner of (CT), Vellore
Income Tax Act, 1961	Regular tax demand	46,165,467	28,136,277	Various years	CIT(A), ITAT

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

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

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

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

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

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

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

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

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

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

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date : 03 May 2018

Annexure 'B' to the Independent Auditor's Report

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

In conjunction with our audit of the standalone financial statements of Thirumalai Chemicals Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of IFCoFR issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to 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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR 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.

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in Guidance Note issued by the ICAI.

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

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date : 03 May 2018

BALANCE SHEET AS AT 31ST MARCH 2018

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

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	14,668	14,581	13,779
Capital work-in-progress		3,893	913	561
Intangible assets	3	54	-	-
Intangible assets under development		-	21	-
Financial assets				
-Investments	4	15,812	5,872	3,557
-Loans	5	1,301	7,984	8,123
-Other financial assets	6	225	272	110
Income tax assets (net)	7	954	850	1,228
Other non-current assets	8	2,385	1,485	1,094
		39,292	**31,978**	**28,452**
Current assets				
Inventories	9	11,429	13,166	5,932
Financial assets				
- Investments	10	1,453	2,072	-
- Trade receivables	11	7,120	11,276	11,010
- Cash and cash equivalents	12	2,245	1,260	50
- Bank balances other than those mentioned in cash and cash equivalents	12	2,178	2,039	1,081
- Other financial assets	6	120	1,794	2,546
Other current assets	8	1,675	1,459	579
Assets classified as held for sale	13	128	128	128
		26,348	**33,194**	**21,326**
Total assets		**65,640**	**65,172**	**49,778**
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	14	1,024	1,024	1,024
Other equity	15	50,424	35,670	25,948
Total equity		**51,448**	**36,694**	**26,972**
Non-current liabilities				
Financial liabilities				
- Borrowings	16	-	-	29
Deferred tax liabilities (net)	17	3,079	3,095	3,148
Provisions	18	734	692	788
		3,813	**3,787**	**3,965**
Current liabilities				
Financial Liabilities				
- Trade payables	19	7,379	22,878	14,298
- Borrowings	16	-	-	2,272
- Other financial liabilities	20	1,381	668	1,132
Provisions	18	332	210	456
Other current liabilities	21	1,287	935	683
Total liabilities		**10,379**	**24,691**	**18,841**
Total equity and liabilities		**65,640**	**65,172**	**49,778**
Notes 1 to 41 form an integral part of these standalone financial statements				

In terms of our report attached
For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner

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

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER

T. RAJAGOPALAN
COMPANY SECRETARY

PLACE : CHENNAI
DATE : 3 MAY 2018

PLACE : CHENNAI
DATE : 3 MAY 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

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

	Note	Year ended 31 March 2018	Year ended 31 March 2017
INCOME			
Revenue from operations	23	103,721	94,460
Other income	24	997	776
Total income		**104,718**	**95,236**
EXPENSES			
Cost of materials consumed	25	59,610	59,449
Purchase of stock in trade	25	29	245
Changes in inventories of finished goods, work in progress and stock in trade	26	1,093	(1,698)
Excise duty recovered on sales		2,560	8,738
Employee benefits expense	27	3,991	3,232
Finance costs	28	1,093	1,455
Depreciation and amortisation expense	3	1,039	1,402
Other expenses	29	13,533	11,238
Total expenses		**82,948**	**84,061**
Profit before tax		**21,770**	**11,175**
Tax expense			
Current tax		7,375	3,900
Deferred tax		(4)	(49)
Adjustment for earlier years		-	(89)
		7,371	3,762
Profit for the year		**14,399**	**7,413**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
- Re-measurement (losses) on defined benefit plans		(33)	(11)
- Gain on revaluation of equity investments		2,688	2,316
- Income tax relating to items that will not be reclassified to profit and loss		11	4
Other comprehensive income for the year, net of tax		**2,666**	**2,309**
Total comprehensive income for the year		**17,065**	**9,722**
Earnings per equity share (Profit for the year)	30		
Basic (in ₹)		140.63	72.41
Diluted (in ₹)		140.63	72.41
Earnings per equity share (Total comprehensive income for the year)	30		
Basic (in ₹)		166.67	94.96
Diluted (in ₹)		166.67	94.96

Notes 1 to 41 form an integral part of these standalone financial statements

In terms of our report attached
For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner

PLACE : CHENNAI
DATE : 3 MAY 2018

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

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER

T. RAJAGOPALAN
COMPANY SECRETARY

PLACE : CHENNAI
DATE : 3 MAY 2018

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2018

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

Particulars	Equity share capital	Reserves and Surplus				Other reserves	Total
		General reserve	Securities Premium	Retained Earnings	Total	Accumulated other comprehensive income	
Balances at 1 April 2016	**1,024**	**4,283**	**1,971**	**11,883**	**18,137**	**7,811**	**25,948**
Transfer from statement of profit and loss	-	-	-	7,413	7,413	-	7,413
Other comprehensive income	-	-	-	-	-	2,309	2,309
Balances at March 31, 2017	**1,024**	**4,283**	**1,971**	**19,296**	**25,550**	**10,120**	**35,670**
Transfer from statement of profit and loss	-	-	-	14,399	14,399	-	14,399
Dividend declared (relating to 2016-17)	-	-	-	(1,920)	(1,920)	-	(1,920)
Dividend distribution tax (relating to 2016-17)	-	-	-	(391)	(391)	-	(391)
Other comprehensive income	-	-	-	-	-	2,666	2,666
Balances at March 31, 2018	**1,024**	**4,283**	**1,971**	**31,384**	**37,638**	**12,786**	**50,424**

Notes 1 to 41 form an integral part of these standalone financial statements

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

per **Sumesh E S**
Partner

Place : Chennai
Date : 03 May 2018

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

R Parthasarathy
Managing Director
(DIN : 00092172)

R Ravishankar
Independent Director
(DIN : 01224361)

P Krishnamoorthy
Chief Financial Officer

T Rajagopalan
Company Secretary

Place : Chennai
Date : 03 May 2018

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

		Year ended 31 March 2018	Year ended 31 March 2017
A.	**Cash Flow From Operating Activites**		
	Profit before tax	**21,770**	**11,175**
	Adjustments for:		
	Depreciation and amortisation expense	1,039	1,402
	Finance Costs	1,093	1,455
	Interest Income	(375)	(432)
	Dividend Received	(397)	(27)
	Provision for employee benefits	163	175
	Provision for doubtful debts	109	1
	Assets written off	2	-
	Profit on sale of tangible assets, net	(6)	(2)
	Lease Rent Charged off	10	13
	Unrealised forex loss / (gain), net	6	(114)
	Operating profit before working capital changes	**23,414**	**13,646**
	Adjustments for		
	(Increase) / decrease in trade and other receivables	4,052	(152)
	(Increase) / decrease in inventories	1,737	(7,234)
	(Increase) / decrease in Other financial asset	1,580	(227)
	(Increase) in Other assets	(1,125)	(1,302)
	Increase / (decrease) in trade and other payables	(15,499)	8,580
	Increase in Provision & other current liabilities	239	(52)
	Increase/ (decrease) in Other financial liabilities	713	47
	Cash Generated From Operations	**15,111**	**13,306**
	Direct tax paid (net)	(7,398)	(3,656)
	Net Cash Inflow / (Outflow) From Operations	**7,713**	**9,650**
B.	**Cash Flow From Investing Activities**		
	Sale of fixed assets	8	3
	Purchase of Fixed assets and Capital work in progress	(4,143)	(2,557)
	Interest received	375	432
	Sale/ (Purchase) of Investments (net)	39	(2,079)
	Dividend received	397	27
	Net Cash Inflow / (Outflow) From Investing Activities	**(3,324)**	**(4,174)**
C.	**Cash Flow From Finance Activities**		
	Repayment of long term borrowings	-	(540)
	Repayment of short term borrowings	-	(2,272)
	Interest on borrowings	(1,093)	(1,455)
	Dividend paid (including dividend tax)	(2,311)	-
	Net cash (used in) financing activities	**(3,404)**	**(4,267)**
D.	**Net cash flows during the year**	**985**	**1,210**
E.	**Cash and cash equivalents at the beginning**	1,260	50
F.	**Cash and cash equivalents at the end**	**2,245**	**1,260**
	Cash and cash equivalents comprise of:		
	Cash on hand	2	2
	Balances with banks - in current accounts	2,243	1,258
	Cash and cash equivalents as per note 12	**2,245**	**1,260**
	Notes 1 to 41 form an integral part of these standalone financial statements		

In terms of our report attached
For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner

PLACE : CHENNAI
DATE : 3 MAY 2018

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

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER

T. RAJAGOPALAN
COMPANY SECRETARY

PLACE : CHENNAI
DATE : 3 MAY 2018

Summary of significant accounting policies and other explanatory information

1 General Information

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

2. Summary of significant accounting policies

2.1 Basis of preparation of standalone financial statements

The 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, 2016 (the "Act") and other relevant provisions of the Act.

The Company has adopted all the Indian Accounting standards and the adoption was carried out in accordance with Ind AS 101 – First-time adoption of Indian Accounting Standards. The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The standalone financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. These standalone financial statements are presented in lakhs of Indian Rupees which is also the Company's functional currency, except per share data and as otherwise stated. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

2.2 Overall considerations

The standalone financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These accounting policies have been used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

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.

In accordance with Ind AS 101, the Company presents three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS financial statements. In future periods, Ind AS 1 requires two comparative periods to be presented for the balance sheet only in certain circumstances.

2.3 Use of estimates

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

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

2.4 Foreign currency translation

Reporting and presentation currency

The standalone financial statements are presented in Lakhs of Indian Rupees, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions, duly approximated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the measurement of monetary items denominated in foreign currency at year-end exchange rates are recognized as other income in statement of profit and loss.

Non-monetary items are not translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

2.5 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable by the Company for goods supplied and services provided, excluding discounts, VAT, GST and other applicable taxes and are recognized upon the performance of service or transfer of risk to the customer.

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

Sale of goods:

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which coincides with dispatch or delivery of goods to customers as per terms of agreement with customers. Sales include excise

Summary of significant accounting policies and other explanatory information

duty, where applicable but exclude other taxes and is net of rebates and discounts.

Income from wind operated generators:

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

Income from operating lease:

Lease income from operating leases are recognised in the Statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the Company''s benefit, even if the receipts are not on that basis. In case of cancellable lease arrangements, it is accounted on accrual basis.

Sale of scrap:

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

Dividend and interest income:

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

Export benefits:

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

2.6 Property, plant and equipment

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.

Buildings and other equipment

Buildings and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognized 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. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses 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 recognized in the statement of profit and loss within other income or other expenses.

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.

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

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 recognized 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 recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Depreciation and amortization

Depreciation on tangible assets 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 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.

Summary of significant accounting policies and other explanatory information

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

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

2.7 Research and development expenses

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

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

2.8 Leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. All leases other than finance lease are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the Company's benefit, even if the payments are not on that basis. Associated costs, such as maintenance and insurance, are expensed as incurred.

2.9 Financial instruments

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit and loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below. Trade receivables are recognized at their transaction price as the same do not contain significant financing component.

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. Amortized cost

b. Fair Value Through Other Comprehensive Income (FVTOCI) 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.

Financial assets at amortized 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 amortized 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.

Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

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 FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized 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 recognized 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 recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

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 amortized 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 recognized 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

Summary of significant accounting policies and other explanatory information

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 recognized in profit and loss.

Investments

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

2.10 Inventories

Raw materials:

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

Work in progress and finished goods:

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

Stores and Spares:

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

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

Defined contribution plan

Contribution to Provident Fund in India are in the nature of defined contribution plan and are made to a recognized 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 recognized as an expense in the period that related employee services are received.

Provident fund

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

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.

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 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

Gratuity

The liability recognized 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 high quality corporate bonds 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.

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

Summary of significant accounting policies and other explanatory information

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

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

2.14 Taxation

Tax expense recognized in the statement of profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date.

Deferred taxes pertaining to items recognized in other comprehensive income are also disclosed under the same head.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the respective entity's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Company does not recognize deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognized in other comprehensive income (such as the re-measurement of defined benefit plans) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

2.15 Contingent liabilities and provisions

Provisions are recognized when the Company 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 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 recognized 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 recognize 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.

2.16 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.

2.17 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.

2.18 Assets held for sale

Non-current assets and disposals groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sales is highly probable. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

3 Property, Plant and Equipment

Particulars	Property, Plant and Equipment									Intangible Asset
	Freehold Land	Buildings and Roads	Plant and equipment	Wind operated generators	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Total	Computer software
Gross block										
Deemed cost as at 1 April 2016	6,866	632	5,582	571	31	59	29	9	13,779	-
Additions	-	38	2,060	-	3	78	14	12	2,205	-
Disposals	-	-	-	-	-	(21)	-	-	(21)	-
Balance as at 31 March 2017	**6,866**	**670**	**7,642**	**571**	**34**	**116**	**43**	**21**	**15,963**	**-**
Additions	208	-	714	-	89	7	47	53	1,118	66
Disposals	-	-	(5)	-	-	(25)	-	-	(30)	-
Balance as at 31 March 2018	**7,074**	**670**	**8,351**	**571**	**123**	**98**	**90**	**74**	**17,051**	**66**
Accumulated depreciation/ amortisation										
Balance as at 1 April 2016	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	36	1,266	35	10	29	14	12	1,402	-
Reversal on disposal of assets	-	-	-	-	-	(20)	-	-	(20)	-
Balance as at 31 March 2017	**-**	**36**	**1,266**	**35**	**10**	**9**	**14**	**12**	**1,382**	**-**
Depreciation for the year	-	40	893	35	11	20	13	15	1,027	12
Reversal on disposal of assets	-	-	(3)	-	-	(23)	-	-	(26)	-
Balance as at 31 March 2018	**-**	**76**	**2,156**	**70**	**21**	**6**	**27**	**27**	**2,383**	**12**
Net block										
Balance as at 1 April 2016	**6,866**	**632**	**5,582**	**571**	**31**	**59**	**29**	**9**	**13,779**	**-**
Balance as at 31 March 2017	**6,866**	**634**	**6,376**	**536**	**24**	**107**	**29**	**9**	**14,581**	**-**
Balance as at 31 March 2018	**7,074**	**594**	**6,195**	**501**	**102**	**92**	**63**	**47**	**14,668**	**54**

a. In accordance with the option available under IND AS 101 - 'First-time adoption of Indian Accounting Standards' , the Company has adopted to fair value the freehold land located in Ranipet. Based on the valuation report obtained from an external valuer, the fair value of the 44.97 Acres land amounted to ₹ 6828 Lakhs (Cost : ₹ 27 Lakhs) as at 1 April 2016. The Company considered the fair value as deemed cost for this item of Property, Plant and Equipment. The Company has elected to measure other items of property, plant and equipement at the previous GAAP carrying amount i.e 31st March 2016 as its deemed cost on the date of transition to Ind AS i.e 1st April 2016. The Company has adopted cost model as their accounting policy for subsequent measurement and recognition of Property, plant and equipment.

b. For contractual commitment with respect to Freehold land & Property, plant and equipment refer Note 40 a

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
4	**Non-current investments**			
	Investments at cost			
	Investments in equity instruments of subsidiaries - unquoted			
	Tarderiv International Pte. Limited, Singapore	-	225	225
	(Representing 100% equity share capital of subsidiary)			
	500,000 equity shares of US$ 1 each fully paid up			
	Cheminvest Pte Limited, Singapore	3,786	-	-
	(Representing 100% equity share capital of subsidiary)			
	6,000,000 equity shares of US$ 1 each fully paid up			
	Optimistic Organic Sdn Bhd, Malaysia		-	-
	(Representing 15.80% equity share capital of subsidiary)	3,083		
	2,302,814 equity shares of US$ 2.09 each fully paid up			
	(A)	**6,869**	**225**	**225**

During the year, pursuant to a group restructuring, the company's subsidiary Tarderiv International Pte Ltd, Singapore and its step down subsidiary Cheminvest Pte Ltd, Singapore amalgamated and formed Cheminvest Pte Ltd with effect from 01 July 2017. The change has resulted in a change in ownership of the step down subsidiary Lapiz Europe Limited, which was held by Tarderiv Pte Ltd before the change in group structure, and is now solely held by Cheminvest Pte Ltd. The restructuring also resulted in the transfer of 5,500,000, 5% Non Cumulative Non Convertible preference share held by the Company in Tarderiv International Pte. Limited to Cheminvest Pte Limited. On 30 March 2018, Cheminvest Pte. Ltd converted these preference shares to Ordinary shares at USD 1 $ per share.

During the year, the outstanding loan balance due from Optimistic Organic Sdn Bhd. (OOSB) were converted into equity share capital. Refer note 5.

Investments designated at fair value through Other Comprehensive Income

Investments in equity instruments of other companies

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Quoted				
Neyveli Lignite Corporation Limited - 5,000 equity shares of ₹ 10 each fully paid up		4	5	4
Piramal Enterprises Limited - 1,409 equity shares of ₹ 2 each fully paid up		34	26	14
Piramal Phytocare Limited - 137 equity shares of ₹ 10 each fully paid up		-	1	1
Ultramarine and Pigments Limited - 3,250,026 equity shares of ₹ 2 each fully paid up		8,905	5,615	3,313
	(B)	**8,943**	**5,647**	**3,332**
Total non-current investments	(A+B)	**15,812**	**5,872**	**3,557**
Aggregate amount of:				
-Quoted investments and market value thereof;		8,943	5,647	3,332
-Unquoted investments		6,869	225	225
Extent of investment in subsidiaries				
Tarderiv International Pte. Limited, Singapore		-	100%	100%
Cheminvest Pte Limited, Singapore		100%	-	-
Optimistic Organic Sdn Bhd, Malaysia		15.80%	-	-

The Company has made an irrevocable election of accounting policy as at the adoption date 01 April 2016 to fair value investment in equity instrument through Other Comprehensive Income ('OCI'). Investments at fair value through OCI reflect investment in quoted equity securities. Refer note 36 for determination of their fair values and also note 37 for market risk and credit risk of investments.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
5	**Loans**			
	Non - Current			
	Unsecured, considered good			
	Loans and advances to subsidiary companies (Refer note 35(c))	1,301	7,984	8,123
		1,301	**7,984**	**8,123**
	During the year, loan receivable from OOSB amounting to USD 4.8M was converted into equity. The same was approved by the audit committee and board of directors.			
6	**Other financial assets**			
	Non-current			
	(Unsecured, considered good unless and otherwise stated)			
	Security deposits			
	- Unsecured, considered good	225	204	102
	- Unsecured, considered doubtful	3	3	3
	Less: Allowances for expected credit loss	(3)	(3)	(3)
	Bank balances	-	68	-
	Staff advances	-	-	8
		225	**272**	**110**
	Current			
	(Unsecured, considered good)			
	Staff advances	41	40	28
	Receivable from wholly owned subsidiary (Refer note 35(c))	54	1,548	2,316
	Others	25	206	202
		120	**1,794**	**2,546**

There are no financial assets due from directors or other officers of the Company. The carrying amount of the cumulative other financial assets are considered as a reasonable approximation of fair value. There were no movement in the allowances for expected credit losses.

A description of the Company's financial instrument risks, including risk management objectives and policies are given in Note 37.

7	**Income tax assets (net)**			
	Taxes paid in advance (Net of provision for tax)	954	850	1,228
		954	**850**	**1,228**

Tax reconciliation:

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 34.608% (2016-17: 34.608%) and the reported tax expense in the statement of profit and loss are as follows:

	Year ended 31 March 2018	Year ended 31 March 2017
Accounting profit before taxes	21,770	11,175
Enacted tax rates	34.608%	34.608%
Tax on profit at enacted tax rate	7,534	3,867
Weighted deduction for research and development expenses	(166)	(94)
Dividend Income	(137)	(9)
Interest under Section 234C	34	17
Deduction under Chapter VI A	35	22
Tax relating to prior years	-	(89)
Others	71	48
Actual tax expense	**7,371**	**3,762**
Current tax	7,375	3,900
Deferred tax	(4)	(49)
Adjustment for earlier years	-	(89)
Tax expense reported in the statement of profit and loss	**7,371**	**3,762**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
8	**Other non-current assets**			
	Capital advances (Refer note 35(c))	1,424	516	135
	Prepaid expenses	22	20	-
	Prepaid lease rentals	939	949	959
		2,385	**1,485**	**1,094**
	Other current assets			
	Balance with customs and excise	896	1,043	387
	Prepaid Expenses	296	166	72
	Prepaid lease rentals	10	10	13
	Supplier Advances			
	-Considered good	251	240	107
	-Considered doubtful	112	-	-
	Less : Allowances for doubtful advances	(112)	-	-
	Others	222	-	-
		1,675	**1,459**	**579**

All of the Company's other current and non current assets have been reviewed for indicators of impairment. There were allowances for doubtful advances in supplier advances during the year 2017-18 to the extent of ₹ 112 lakhs (31 March 2017 : Nil , 01 April 2016 : Nil) which was identified on a case to case basis from the advances given to the suppliers.

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
9	**Inventories**			
	(valued at lower of cost and net realisable value)			
	Raw materials	8,955	9,766	4,004
	Work in progress	398	686	292
	Finished goods	1,295	2,092	834
	Excise duty paid in advance for goods with agents and depots	-	185	115
	Stock-in-trade	80	88	21
	Stores and spares	501	235	595
	Fuel	100	46	24
	Packing materials	100	68	47
		11,429	**13,166**	**5,932**
	Note			
	1. Goods in transit included above are as below :			
	a. Raw material	18	5	-
	b. Finished goods	848	1,539	524
	c. Stores and Spares	-	31	-
10	**Current Investment**			
	Investments carried at fair value through profit and loss			
	Investments in mutual funds			
	Unquoted			
	BOI AXA Liquid Fund - Direct Plan - Daily Dividend (LFDDR)	-	2,072	-
	IDFC Ultra Short Term Fund	1,453	-	-
	Total current investments	**1,453**	**2,072**	**-**
	Aggregate amount of:			
	-Unquoted investments	1,453	2,072	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
11 Trade receivables			
(Unsecured)			
Considered good			
- Related parties (Refer Note 35(c))	14	452	661
- Others	7,106	10,824	10,349
Considered doubtful	155	188	234
	7,275	**11,464**	**11,244**
Less : Allowances for expected credit loss	(155)	(188)	(234)
	7,120	**11,276**	**11,010**

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.

Allowances for doubtful debts 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.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Movement in allowances for bad and doubtful debts

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance at beginning of the year	188	234	171
Additions/(reversal) during the year, net	109	1	110
Utilised during the year	(142)	(47)	(47)
Balance at end of the year	**155**	**188**	**234**

Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management.

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
12 Cash and bank balances			
Cash and cash equivalents			
Balance with banks in current accounts	2,196	1,258	48
Cheques on hand	47	-	-
Cash on hand	2	2	2
(A)	**2,245**	**1,260**	**50**
Bank balances other than mentioned in cash and cash equivalents			
Unpaid dividend	37	19	19
Balances with bank held as margin money	2,141	2,020	1,062
(B)	**2,178**	**2,039**	**1,081**
Total (A+B)	**4,423**	**3,299**	**1,131**

Unpaid Interest on Matured Deposit included in cash and cash equivalents is ₹ 14 lakhs (31 March 2017 : ₹ 15 Lakhs, 01 April 2016 : ₹ 19 Lakhs).

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
13 Assets classified as assets held for sale			
Assets held for disposal	128	128	128
	128	**128**	**128**

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
14 Share capital						
Authorised						
Equity shares of ₹ 10 each	15,000,000	1,500	15,000,000	1,500	15,000,000	1,500
Unclassified shares of ₹ 10 each	10,000,000	1,000	10,000,000	1,000	10,000,000	1,000
	25,000,000	**2,500**	**25,000,000**	**2,500**	**25,000,000**	**2,500**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	Amount	Number	Amount	Number	Amount
Issued						
Equity shares of ₹ 10 each	10,242,812	1,024	10,242,812	1,024	10,242,812	1,024
	10,242,812	**1,024**	**10,242,812**	**1,024**	**10,242,812**	**1,024**
Subscribed and fully paid-up						
Equity shares of ₹ 10 each	10,238,812	1,024	10,238,812	1,024	10,238,812	1,024
Add: Amount paid up on forfeited shares*	4,000	-	4,000	-	4,000	-
	10,242,812	**1,024**	**10,242,812**	**1,024**	**10,242,812**	**1,024**

* The amount paid up on forfeited shares is ₹ 22,500 (31 March 2017 : ₹ 22,500; 01 April 2016 : ₹ 22,500) is below the rounding off threshold followed by the Company.

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

b) Terms/ rights attached to equity shares

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

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

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	% holding	Number	% holding	Number	% holding
Equity shares of ₹ 10 each						
Ultramarine and Pigments Limited	2,045,177	19.97%	2,045,177	19.97%	2,045,177	19.97%
Jasmine Limited	655,005	6.39%	655,005	6.39%	655,005	6.39%
Anil Kumar Goel	218,000	2.13%	230,000	2.25%	531,000	5.19%
	2,918,182	**28.49%**	**2,930,182**	**28.61%**	**3,231,182**	**31.55%**

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

e) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31 March 2018.

f) The Board of Directors in its meeting on 03 May 2018 has recommended a final dividend of ₹ 20 per equity share for the financial year ended 31 March 2018. The recommendation is subject to the approval of shareholders at the annual general meeting and if approved would result in a cash outflow of approximately ₹ 2,469 lakhs including corporate dividend tax.

g) The Board of Directors in its meeting on 03 May 2018 has recommended for splitting of 1,50,00,000 Equity Shares of ₹10/- each in the Authorized Share Capital of the Company into 15,00,00,000 Equity Shares of Re.1/- each. The same recommendation is subject to approval of shareholders at the annual general meeting.

h) Capital management policies and procedures

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders plus its borrowings and cash credit facility, if any, less cash and cash equivalents as presented on the face of the balance sheet.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Company for the reporting periods under review are summarized as follows:

The Company does not have any long term borrowings and uses cash credit facilities to meet its working capital needs.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2018	As at 31 March 2017
15	**Other equity**		
	Reserves and surplus		
	Securities premium account		
	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 account represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.		
	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 Company, which can be utilised for purposes such as dividend payout etc.		
	Retained earnings		
	Balance at the beginning of the year	19,296	11,883
	Add : Transfer from statement of profit and loss	14,399	7,413
	Less : Final dividend for the year ended 31st March 2017	(1,920)	
	Tax on equity dividend declared	(391)	-
	Balance at the end of the year	**31,384**	**19,296**
	Retained earnings comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc.		
	Total reserves and surplus	**37,638**	**25,550**
	Other reserves		
	Accumulated other comprehensive income		
	Balance at the beginning of the year	10,120	7,811
	Add : Movement during the year	2,666	2,309
	Balance at the end of the year	**12,786**	**10,120**
	Total other Equity	**50,424**	**35,670**

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
16	**Borrowings**			
	Non-current			
	Deferred payment liabilities (unsecured)			
	Sales tax deferment loan from the Government of Tamilnadu (interest free)	-	-	29
		-	**-**	**29**
	Current			
	Demand loans from banks	-	-	2,272
		-	**-**	**2,272**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
17 Deferred tax liabilities, net			
The breakup of net deferred tax liability is as follows:			
On account of timing difference relating to			
- Depreciation/ amortization as per financials and depreciation as per tax	1,252	1,252	1,380
- Restatement of financial assets	635	635	635
- Revaluation of free hold land	1,566	1,563	1,563
	3,453	**3,450**	**3,578**
Less: Deferred tax asset arising on account of			
- Adjustments on account of gratuity provision	(226)	(199)	(251)
- Provision for privilege leave	(76)	(74)	(64)
- Provision for doubtful debts, deposits, DEPB etc.	(56)	(66)	(82)
- Other disallowances under Section 43B of Income Tax Act, 1961	(16)	(16)	(33)
	(374)	**(355)**	**(430)**
Deferred tax liability (net)	**3,079**	**3,095**	**3,148**

Deferred tax recognized in statement of profit and loss and in other comprehensive income for the year ended 31 March 2018:

Particulars	**Recognized in other comprehensive income**	**Recognized in statement of profit and loss**
- Adjustments on account of gratuity provision	11	16
- Provision for privilege leave	-	2
- Provision for doubtful debts, deposits, DEPB etc.	-	(10)
- Other temporary differences	-	(4)
Deferred tax income	**11**	**4**

Deferred tax recognized in statement of profit and loss and in other comprehensive income for the year ended 31 March 2017:

Particulars	**Recognized in other comprehensive income**	**Recognized in statement of profit and loss**
- Adjustments on account of gratuity provision	4	(52)
- Provision for privilege leave	-	10
- Provision for doubtful debts, deposits, DEPB etc.	-	(16)
- Other temporary differences	-	107
Deferred tax income	**4**	**49**

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.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
18 Provisions			
Non-current			
Provisions for employee benefits			
Gratuity	551	508	636
Compensated absences	183	184	152
	734	**692**	**788**
Current			
Provisions for employee benefits			
Gratuity	103	67	91
Compensated absences	38	33	32
Provision for taxes	191	110	333
	332	**210**	**456**

a) Provision for employee benefits

i) Gratuity

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

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

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Change in present value of projected benefit obligation			
Present value of benefit obligation at the beginning of the year	575	727	652
Interest cost	39	57	52
Current service cost	49	46	42
Benefits paid	(42)	(266)	(18)
Actuarial (gain) / loss	33	11	(1)
Projected benefit obligation at the end of the year	**654**	**575**	**727**
Thereof			
Unfunded	**654**	**575**	**727**
Components of net gratuity costs are:			
Current service cost	49	46	42
Interest cost	39	57	52
Net gratuity costs recognised in the income statement	**88**	**103**	**94**
Actuarial gain/loss recognised in other comprehensive income	33	11	(1)
Principal actuarial assumptions used:			
a) Discount rate	7.68%	6.81%	7.84%
b) Long-term rate of compensation increase	10.00%	9.08%	9.00%
c) Average future service	7 years	6 years	5 years
d) Attrition rate	10.50%	12.40%	14.00%
e) Mortality table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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 2018	103	61	217	273	654
31 March 2017	67	68	207	233	575
31 March 2016	91	67	68	501	727

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 2018						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	-0.50%
Impact on defined benefit obligation	(3)	4	(19)	21	20	(19)
31 March 2017						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	-0.50%
Impact on defined benefit obligation	(3)	3	(17)	18	17	(16)
31 March 2016						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	-0.50%
Impact on defined benefit obligation	(2)	2	(17)	18	17	(17)

b) 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 :			
Discount rate	7.68%	6.81%	7.84%
Long-term rate of compensation increase	10.00%	9.08%	9.00%
Average remaining life	7 years	6 years	5 years
Attrition rate	10.50%	12.40%	14.00%

19 Trade payables

Trade payables to micro and small enterprises (Also refer Note (a) below)	39	15	4
Trade payables to related parties	-	539	-
Trade payables	7,340	22,324	14,294
	7,379	**22,878**	**14,298**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

a) Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:

i)	Principal amount remaining unpaid	39	15	4
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.	0.26	0.20	0.41
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	0.26	0.20	0.41

The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
20 Other financial liabilities			
Employee related payables	678	379	290
Amounts due to consignment agents	-	-	86
Directors remuneration payable (Refer Note 35 (c))	242	255	202
Interest Accrued but not due on loans	-	-	6
Current maturities of long term debt	-	-	511
Unpaid dividend	37	19	19
Other payables	424	15	18
Total financial liabilities	**1,381**	**668**	**1,132**

Note:

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 Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

Unpaid Interest on matured deposits included in other payables is ₹14 lakhs. (31 March 2017 : ₹15 lakhs, 1 April 2016 : ₹19 lakhs)

21 Other current liabilities			
Deposits from service providers	47	60	71
Statutory dues	618	557	394
Advances from customers (Refer note 35(c))	608	298	200
Other payables	14	20	18
	1,287	**935**	**683**

Note:

Unpaid dividend, unpaid matured deposits and interest accrued thereon 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.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

22 Categories of Financial assets and liabilities

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 1 April 2016**
Financial Assets			
Designated at fair value through other comprehensive income			
Investments in quoted equity instrument	8,943	5,647	3,332
Measured at fair value through profit and loss			
Current Investments - Mutual Funds	1,453	2,072	-
Measured at amortised cost			
Loans	1,301	7,984	8,123
Trade receivables	7,120	11,276	11,010
Cash and bank balances	4,423	3,299	1,131
Other financial assets	345	2,066	2,656
Measured at cost			
Investments in Subsidiaries	6,869	225	225
Financial Liabilities			
Measured at amortised cost			
Trade payables	7,379	22,878	14,298
Borrowings	-	-	2,301
Other financial liabilities	1,381	668	1,132

	Year ended 31 March 2018	**Year ended 31 March 2017**
23 Revenue from operations		
Sale of products		
Manufactured goods	102,599	93,337
Traded goods	229	216
Gross sales	**102,828**	**93,553**
Other operating revenues, net		
Sales of power from wind operated generators	149	144
Income from letting out of storage facility	317	320
Duty drawback benefit	199	165
Export incentive	137	227
Sale of scrap (net of taxes recovered)	91	51
	893	**907**
	103,721	**94,460**
24 Other income		
Interest Income (Gross)	375	432
Dividend Income from investments	397	27
Profit on sale of assets (net of loss on sales / scraping of asset)	6	2
Rent received	40	40
Excess provisions / Sundry balances written back (net)	2	12
Expenses and Services recharged	152	182
Insurance claims	19	4
Miscellaneous receipts	6	77
	997	**776**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2018	Year ended 31 March 2017
25	**Cost of materials consumed and purchase of stock-in-trade**		
	Inventory at the beginning of the year	9,766	4,004
	Add : Purchases during the year	58,799	65,211
		68,565	69,215
	Less: Inventory at the end of the year	8,955	9,766
		59,610	**59,449**
	Purchase of stock-in-trade		
	Purchase of machinery, spares and other chemicals	29	245
		29	**245**
26	**Changes in inventories of finished goods, work in progress and stock-in-trade**		
	Opening stock		
	Finished goods	2,092	834
	Work in progress	686	292
	Stock of trading items	88	21
		2,866	**1,147**
	Closing stock		
	Finished goods	1,295	2,092
	Work in progress	398	686
	Stock of trading items	80	88
		1,773	**2,866**
	Excise duty on inventories, net	-	21
	Changes in inventories	**1,093**	**(1,698)**
27	**Employee benefits expense**		
	Salaries, wages, bonus	3,533	2,821
	Gratuity expense	88	103
	Contribution to provident fund and other funds	221	190
	Staff welfare expenses	149	118
		3,991	**3,232**
28	**Finance costs**		
	Interest expense	504	1,416
	Exchange loss on foreign currency loan	-	17
	Other borrowing costs	589	22
		1,093	**1,455**
29	**Other expenses**		
	Stores and spares consumed	1,223	485
	Power and fuel	3,043	2,641
	Repairs to:		
	Machinery	440	614
	Buildings	188	176
	Others	36	80
	Packing expenses and materials consumed	1,030	908
	Freight and forwarding	4,255	3,694
	Commission and brokerage	125	182
	Rent	184	195

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Rates and taxes	235	129
Insurance	145	92
Travelling and conveyance	476	302
Communication expenses	52	47
Research and development expenses (Refer note 34)	305	271
Expenses on wind operated generators	37	37
Legal and professional charges (Refer note 32)	431	352
Commission to non-executive directors	125	119
Provision for doubtful debts	221	1
Corporate social responsibility expenditure (Refer note 33)	202	60
Donation	44	95
Loss on foreign currency transaction / translation (net)	67	172
Miscellaneous expenses	669	586
	13,533	**11,238**

	Year ended 31 March 2018	Year ended 31 March 2017
30 Earnings per equity share (EPS)		
For profit for the year		
Nominal value of equity shares	10	10
Profit attributable to equity shareholders (A)	14,399	7,413
Weighted average number of equity shares outstanding during the year (B)	10,238,812	10,238,812
Basic earnings per equity share (A/B) (in ₹)	140.63	72.41
Diluted earnings per equity share (A/B) (in ₹)	140.63	72.41
For total comprehensive income		
Nominal value of equity shares	10	10
Profit attributable to equity shareholders (A)	17,065	9,722
Weighted average number of equity shares outstanding during the year (B)	10,238,812	10,238,812
Basic earnings per equity share (A/B) (in ₹)	166.67	94.96
Diluted earnings per equity share (A/B) (in ₹)	166.67	94.96
31 Leases		
Operating lease commitments - as lessee		
Total lease payments pertaining to non-cancellable leases	10	10
Disclosures in respect of non-cancellable operating leases		
The Company has been allotted a plot in 2011 in Dahej by Gujarat Industrial Development Corporation for setting up a manufacturing facility. In terms of the said allotment, the Company has paid the consideration and possession letter for land has been obtained in April 2015.		
32 Payments to auditor		
As auditor		
Statutory audit	18	18
Limited review	7	7
Tax audit	3	3
Total	**28**	**28**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
33 Expenditure on Corporate Social Responsibility (CSR)		
(a) Gross amount required to be spent by the Company during the year	136	59
(b) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above	202	60
(c) Name of the related party with regard to CSR contribution	Thirumalai Charity Trust	Thirumalai Charity Trust
(d) Whether any provision made based on contractual obligation to undertake CSR activity	No	No
All the expenditure on CSR have been paid during the year and no provision for expenses are created for the expenditure.		
34 The Company has spent towards Research and Development expenses during the year which are as under		
Capital expenditure*	218	-
Revenue expenditure (Also refer note 29)	305	271
	523	**271**

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

* The amount of capital expenditure for 2016-17 ₹ 21,755 is below the rounding off threshold followed by the Company.

35 Related parties

a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Subsidiary Companies	Tarderiv International Pte Limited (subsidiary Company)(TIPL) (amalgamated with Cheminvest Pte. Limited on 01 July 2017)
	Cheminvest Pte Limited (Subsidiary Company) (CPL)
	Optimistic Organic Sdn Bhd (Step down subsidiary)(OOSB)
	Lapiz Europe Limited
Key Management Personnel / Senior Management Personnel	Mr. R.Parthasarathy (Managing Director)
	Mrs. Ramya Bharathram (Executive Director)
	Mr. C.G Sethuraman (Chief Executive Officer)
	Mr. P Mohana Chandran Nair (Executive Director)
	Mr. P Krishnamoorthy (Chief Financial Officer)
	Mr. T Rajagopalan (Company Secretary)
	Mr. Arun Ramanathan (Independent Director)
	Mr. N. Subramanian (Independent Director)
	Mr. Raj Kataria (Independent Director)
	Mr. R. Ravishankar (Independent Director)
	Mr. P. Shankar (Independent Director) (Retired on 31 July, 2017)
	Mr. Dhruv Moondhra (Independent Director)
	Mr. A. Janakiraman (Independent Director) (Retired on 31 July, 2017)
	Mr. R. Sampath (Non-Executive Director)
Enterprise over which the Key Managerial Personnel and their relatives are able to exercise significant influence	Ultramarine and Pigments Limited (UPL) Thirumalai Charity Trust (TCT)

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

b) Transactions with related parties

Transaction	Related Party	Year ended 31 March 2018	Year ended 31 March 2017
Remuneration to Key Managerial Personnel	Mr. R.Parthasarathy*	377	277
	Mrs. Ramya Bharathram	143	146
	Mr. P Mohana Chandran Nair	54	41
	Key Managerial Personnel other than Directors	327	281
Director sitting fee and commission	Independent and Non-Excutive Director	167	165
Purchase of Goods	Optimistic Organic Sdn Bhd	2,778	2,078
Sale of Goods	Optimistic Organic Sdn Bhd	364	387
Rendering of Services	Optimistic Organic Sdn Bhd	101	132
	Ultramarine and Pigments Limited	36	44
Receipt of Services	Tarderiv International Pte Limited	-	9
	Ultramarine and Pigments Limited	21	2
	Thirumalai Charity Trust	6	4
Guarantee Commission	Optimistic Organic Sdn Bhd	50	50
Donation given	Thirumalai Charity Trust	200	150
Interest Income on Loan Given	Optimistic Organic Sdn Bhd	138	193
	Tarderiv International Pte Limited	98	96

*Not included in the above is a payment amounting to ₹ 0 (2016-17 : ₹ 218 Lakhs) made towards gratuity, a defined benefit plan.

c) Balances with related parties

Particulars	Related Party	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivables	Optimistic Organic Sdn Bhd	7	449	657
	Ultramarine and Pigments Limited	7	3	4
Other receivables	Optimistic Organic Sdn Bhd	35	1,141	1,984
	Tarderiv International Pte Limited	-	407	332
	Cheminvest Pte. Limited	19	-	-
Capital advances	Ultramarine and Pigments Limited	136	-	-
Trade payables	Optimistic Organic Sdn Bhd	-	538	-
Advances from customers	Optimistic Organic Sdn Bhd	423	-	-
Deposits payable	Ultramarine and Pigments Limited	14	14	14
Loans	Optimistic Organic Sdn Bhd	-	3,121	3,161
	Cheminvest Pte. Limited	1,301	3,566	3,648
	Tarderiv International Pte Limited	-	1,297	1,314
Directors remuneration payable	Key Managerial Personnel	367	255	202

d) Maximum amount due at any time during the year

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Optimistic Organic Sdn Bhd	4,108	5,145	5,145
Tarderiv International Pte Limited	-	1,704	1,646
Cheminvest Pte. Limited	1,704	-	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

36 Fair value measurement

Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income investments and other financial assets, which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and Financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

> **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities

> **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

> **Level 3:** Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2018, 31 March 2017, and 01 April 2016:

(a) Quantitative disclosures fair value measurement hierarchy for assets as at the reporting date:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
i) Assets measured at fair value:					
Fair value through Other Comprehensive Income					
Investments in quoted - equity instrument					
2018	31 March 2018	8,943	8,943	-	-
2017	31 March 2017	5,647	5,647	-	-
2016	01 April 2016	3,332	3,332	-	-

Investment in quoted equity instrument are valued based on the quoted prices available in the market as at the reporting date.

Fair value through profit and loss account					
Investments in Mutual Fund					
2018	31 March 2018	1,453	-	1,453	-
2017	31 March 2017	2,072	-	2,072	-
2016	01 April 2016	-	-	-	-

Investment in mutual funds are valued based on the Net Asset Value (NAV) of the funds as at the year end. The NAV of the funds are provided by the fund management company at the end of each reporting year.

Loans, cash and bank balances, trade receivables, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature

The Company has fair valued freehold land as at 01 April 2016 and considered the same as deemed cost as per the option given under first time adoption of IND AS as at transition date. The Company has adopted the policy for subsequent measurement and recognition under the cost model. The non recurring fair value measurement has been considered under level 2, by involving an independent valuer who valued based on the value defined by the municipal corporation for that particular land.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

37 Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its and group companies operations. The Company's principal financial assets include loans, trade and other receivables, investments, cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions to hedge and holds short term investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Group Treasury Team that 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 Group 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 Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

a) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

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 interest rates. The Company's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year Company did not have any floating rate borrowings.

Foreign currency risk

Most of the Company's transactions are carried out in Indian rupees. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD) and Euro (EUR).

To mitigate the Company's exposure to foreign currency risk, cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for net foreign currency exposures that are not expected to be offset by other same currency transactions.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency denominated financial assets and financial liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated at the closing rate:-

	Foreign currency exposure (in INR)	
	USD	**EUR**
31 March 2018		
Financial assets	648	28
Financial liabilities	42	-
31 March 2017		
Financial assets	11,333	8
Financial liabilities	4,463	-
1 April 2016		
Financial assets	11,091	1,371
Financial liabilities	218	165

Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this disclosure, currency

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 1% change of the INR /USD exchange rate for the year ended at 31 March 2018 (31 March 2017: 1%). A +/- 1% change is considered for the INR /EUR exchange rate for the year ended at 31 March 2018 (31 March 2017: 1%).

If the INR had strengthened against the USD by 1% during the year ended 31 March 2018 (31 March 2017: 1%) and EUR by 1% during the year ended 31 March 2018 (31 March 2017: 1%) respectively then this would have had the following impact profit before tax and equity before tax:

		31 March 2018	31 March 2017
Profit before tax			
USD in INR	**+1%**	6	69
EUR in INR	**+1%**	0	0
		6	**69**
Equity before tax			
USD in INR	**+1%**	6	69
EUR in INR	**+1%**	0	0
		6	**69**

If the INR had weakened against the USD by 1% during the year ended 31 March 2018 (31 March 2017: 1%) and EUR by 1% during the year ended 31 March 2018 (31 March 2017: 1%) respectively then this would have had the following impact:

		31 March 2018	31 March 2017
Profit before tax			
USD in INR	**-1%**	(6)	(69)
EUR in INR	**-1%**	(0)	(0)
		(6)	**(69)**
Equity before tax			
USD in INR	**-1%**	(6)	(69)
EUR in INR	**-1%**	(0)	(0)
		(6)	**(69)**

b) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, investment in mutual funds etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting period, as summarised below:

	31 March 2018	31 March 2017	1 April 2016
Classes of financial assets			
Investments	17,265	7,944	3,557
Trade receivables	7,120	11,276	11,010
Cash and bank balances	4,423	3,299	1,131
Loans	1,301	7,984	8,123
Other financial assets	345	2,066	2,656

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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 mainly comprises of tender deposits and security deposits which are given to customers or other governmental agencies in relation to contracts executed and are assessed by the Company for credit risk on a continous basis.

c) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company'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 - 90 days based on the credit period.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and short-term borrowings. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The Company's non-derivative financial liabilities have contractual maturities as summarised below:

As at 31 March 2018	**Current**		**Non Current**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**
Borrowings	-	-	-	-
Trade and other payables	7,379	-	-	-
Other financial liabilities	1,381	-	-	-
As at 31 March 2017	**Current**		**Non Current**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**
Borrowings	-	-	-	-
Trade and other payables	22,878	-	-	-
Other financial liabilities	668	-	-	-
As at 01 April 2016	**Current**		**Non Current**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**
Borrowings	1,136	1,136	29	-
Trade and other payables	14,298	-	-	-
Other financial liabilities	1,132	-	-	-

38 First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Companies (Accounting Standard) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act (Previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017. This note explains the principal adjustments made by the Company in restating its statement of financial position as at 1 April 2016 and its previously published financial statements as at and for the year ended 31 March 2016 under previous GAAP.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

a) First time adoption exemptions applied

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Company has applied the mandatory exceptions and certain optional exemptions, as set out below:

Mandatory exceptions adopted by the Company

(i) De-recognition of financial assets and liabilities

The de-recognition criteria of Ind AS 109 Financial Instruments has been applied prospectively for transactions occurring on or after the date of transition to Ind AS. Non-derivative financial assets and non-derivative financial liabilities derecognized before date of transition under previous GAAP are not recognized on the opening Ind AS balance sheet.

(ii) Estimates

Hindsight is not used to create or revise estimates. The estimates made by the Company under previous GAAP were not revised for the application of Ind AS except where necessary to reflect any differences in accounting policies or errors.

Optional exemptions availed by the Company

(i) Property, Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP or fair value them as at transition date and use that as its deemed cost as at the date of transition. The Company has elected to use carrying value under previous GAAP as the deemed cost on the date of transition to Ind AS for all property, plant and equipment, except a freehold land from the block has been identified and fair valued as at 01 April 2018. The Company has adopted cost model for subsequent measurement and recognition of items in property,plant and equipment.

(ii) Investment in subsidiaries

Investment in subsidiaries, joint ventures and associates are measured at the carrying value under previous GAAP on the date of transition to Ind AS. These carrying value under previous GAAP are considered to be the deemed cost as at the date of transition.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess the classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has elected to apply this exemption to its financial assets.

(iv) Leases

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. As per Ind AS 17, this assessment should be carried out at inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

b) Reconciliation of equity

Reconciliation of equity as at 1 April 2016 (date of transition to Ind AS)

	Foot note	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	7,922	5,857	13,779
Capital work-in-progress		561	-	561
Financial assets			-	
-Investments	2	768	2,789	3,557
-Loans	8	6,956	1,167	8,123
-Other financial assets		110	-	110
Income tax assets (net)		1,228	-	1,228

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	Foot note	Previous GAAP*	Adjustments	Ind AS
Other non-current assets	1	135	959	1,094
		17,680	10,772	28,452
Current assets				
Inventories		5,932	-	5,932
Financial assets				
-Trade receivables		11,010	-	11,010
-Cash and cash equivalents		50	-	50
- Bank balances other than those mentioned in cash and cash equivalents		1,081	-	1,081
-Other financial assets		2,546	-	2,546
Other current assets	1	566	13	579
Assets classified as assets held for sale		128	-	128
		21,313	13	21,326
Total assets		**38,993**	**10,785**	**49,778**
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital		1,024	-	1,024
Other equity	1,2,5	17,362	8,586	25,948
Total equity		18,386	8,586	26,972
Non-current liabilities				
Financial liabilities				
- Borrowings		29	-	29
Deferred tax liabilities (net)	1,5	949	2,199	3,148
Provisions		788	-	788
		1,766	2,199	3,965
Current liabilities				
Financial Liabilities				
-Trade payables		14,298	-	14,298
- Borrowings		2,272	-	2,272
- Other financial liabilities		1,132	-	1,132
Provisions		456	-	456
Other current liabilities		683	-	683
Total liabilities		18,841	-	18,841
Total equity and liabilities		**38,993**	**10,785**	**49,778**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Reconciliation of equity as at 31 March 2017

	Foot note	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	8,713	5,868	14,581
Capital work-in-progress		913	-	913
Intangible assets under development		21	-	21
Financial assets			-	
-Investments	2	767	5,105	5,872
-Loans	8	6,898	1,086	7,984
-Other financial assets		272	-	272
Income tax assets (net)		850	-	850
Other non-current assets	1	536	949	1,485
		18,970	13,008	31,978
Current assets				
Inventories		13,166	-	13,166
Financial assets				
-Investments	2	2,050	22	2,072
-Trade receivables		11,276	-	11,276
-Cash and cash equivalents		1,260	-	1,260
- Bank balances other than those mentioned in cash and cash equivalents		2,039	-	2,039
-Other financial assets		1,816	(22)	1,794
Other current assets	1,2	1,449	10	1,459
Assets classified as assets held for sale		128	-	128
		33,184	10	33,194
Total assets		**52,154**	**13,018**	**65,172**
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital		1,024	-	1,024
Other equity	1,2,5	24,851	10,819	35,670
Total equity		25,875	10,819	36,694
Non-current liabilities				
Deferred tax liabilities (net)	1,5	896	2,199	3,095
Provisions		692	-	692
		1,588	2,199	3,787
Current liabilities				
Financial Liabilities				
-Trade payables		22,878	-	22,878
- Other financial liabilities		668	-	668
Provisions		210	-	210
Other current liabilities		935	-	935
Total liabilities		24,691	-	24,691
Total equity and liabilities		**52,154**	**13,018**	**65,172**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Reconciliation of profit and loss for the year ended 31 March 2017

	Foot note	Previous GAAP*	Adjustments	Ind AS
Revenue				
Revenue from operations	6,7	86,147	8,313	94,460
Other income		776	-	776
Total income		**86,923**	**8,313**	**95,236**
Expenses				
Cost of materials consumed		59,449	-	59,449
Purchase of stock in trade		245	-	245
Changes in inventories of finished goods work in progress and stock in trade		(1,698)	-	(1,698)
Excise duty recovered on sales	6	-	8,738	8,738
Employee benefits expense	3	3,243	(11)	3,232
Finance costs		1,455	-	1,455
Depreciation and amortisation expense	1	1,414	(12)	1,402
Other expenses	1,7,8	11,510	(272)	11,238
Total expenses		**75,618**	**8,443**	**84,061**
Profit before tax		**11,305**	(130)	**11,175**
Tax expense				
Current tax		3,900	-	3,900
Deferred tax	3	(53)	4	(49)
Adjustment for earlier years		(89)	-	(89)
		3,758	**4**	**3,762**
Profit for the year		**7,547**	**(134)**	**7,413**
Other comprehensive income:	4			
<u>Items that will not be reclassified to profit or loss</u>				
- Re-measurement (losses) on defined benefit plans	3	-	(11)	(11)
-Gain on revaluation of equity investments	2	-	2,316	2,316
- Income tax relating to items that will not be reclassified to profit and loss		-	4	4
Other comprehensive income for the year, net of tax		**-**	**2,309**	**2,309**
Total comprehensive income for the year		**7,547**	**2,175**	**9,722**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

c) Reconciliation of Other Equity

	31 March 2017	1 April 2016
Total equity as per previous GAAP	**24,851**	**17,362**
Adjustments:		
Gain on fair valuation of equity instruments	5,105	2,789
Accumulated exchange fluctuation on net investment	1,084	1,167
Deferred tax on above items	(635)	(635)
Gain on revaluation of freehold land, net of deferred tax	5,265	5,265
Total equity under Ind AS	**35,670**	**25,948**

Footnotes to the reconciliations

1) Classification of lease hold land

Under the previous GAAP, leasehold lands were classified as property,plant and equipment whereas the same has been reclassified as operating lease and disclosed under other current and non current assets. Amortization relating to these lease hold land has been classified as rental expense. The reclassification under IND AS is due to the fact that land is

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

considered as an asset which has indefinite lifetime and needs to be classified under operating lease.

Deemed cost of free hold land

Under the previous GAAP, freehold land were valued at historic cost, whereas the same has been fair valued as at 01 April 2016 and considered the same to be deemed cost as at the date of transition for accounting. Gain on revaluation has been recognised in other comprehensive income(net of deferred tax liability).

2) Fair valuation of investments

Under the previous GAAP, investments in equity (other than subsidiaries) and mutual funds were classified as long-term investments or current investments based on intended holding period or realisability and were accounted at cost less provision for diminution in value of investments. Under Ind AS, these investments are required to be measured at fair value. The Company has designated these investements as classified at fair value through other comprehensive income and through profit or loss account respectively. The resulting fair value changes of these investments have been recognised in other equity as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017.

3) Defined benefit obligation

Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through other comprehensive income.

4) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as ‘other comprehensive income’ includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

5) Foreign currency translation reserve

The Company had accumulated foreign currency translation reserve under previous GAAP, which as per the option given under the first time adoption of IND AS can be reset to zero as at the transition date. The company has elected to reset the foreign currency translation reserve to zero as at 1 April 2016. Accordingly, translation reserve balance accumulated under the previous GAAP of ₹ 1,390 lakhs on the net investment made by the company in its subsidiaries has been reclassified to retained earnings. There is no impact on total equity as a result of this adjustment.

6) Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase of total revenue and total expenses for the year ended 31 March 2017 by ₹ 8,738 lakhs. There is no impact on the total equity and profit.

7) Cash discount on sale transactions

Under the previous GAAP, the cash discounts provided to the customers were grouped under other expenses. Under IND AS, revenue has to be measured at fair value of consideration received or receivable for the sale transaction effected by the Company. Hence, the same has been reduced from the revenue from operations.

8) Investments in Preference shares

Under the previous GAAP, the investments in preference shares of subsidiary was carried at cost. Under Ind AS, these investments, denominated in US Dollars, are to be classified as financial assets and be translated using the exchange rate at the reporting date with a corresponding debit/credit to the statement of profit and loss.

39 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2018) and the report release date (03 May 2018) except for proposed dividend and stock split as disclosed in note 14 .

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

40	**Contingent liabilities, commitments and guarantees**	**As at 31 March 2018**	**As at 31 March 2017**
a)	Commitments		
	Estimated amount of contracts to be executed on capital account and not provided for	12,605	3,192
	- Against which advances paid	1,424	516
	Other commitments are cancellable at the option of the Company and hence not disclosed.		
b)	Guarantees		
	Corporate guarantee issued by the Company on behalf of its subsidiary	5,387	4,686
c)	Contingent liabilities		
	Indirect tax matters under dispute (Refer note (i) below)	159	165
	Income tax demand including interest contested in Appeal (Refer note (ii) below)	462	462
	Other claims against the Company not ackowledged as debts	-	324

(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 ₹ 75 Lakhs (Previous Year ₹ 80 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 ₹ 19 Lakhs (Previous year ₹ 19 Lakhs).

(ii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹ 461 Lakhs (Previous Year ₹ 511 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 ₹ 281 Lakhs (Previous year ₹ 306 Lakhs).

41 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, which was a previously reported segment, 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.

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

per **Sumesh E S**
Partner

Place : Chennai
Date : 03 May 2018

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

R Parthasarathy
Managing Director
(DIN : 00092172)

R Ravishankar
Independent Director
(DIN : 01224361)

P Krishnamoorthy
Chief Financial Officer

T Rajagopalan
Company Secretary

Place : Chennai
Date : 03 May 2018

Independent Auditor's Report

To the Members of Thirumalai Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Thirumalai Chemicals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement 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.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, are responsible for the design, implementation and maintenance of internal control 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. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group, as at 31 March 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 33,083 lakhs and net assets of ₹ 18,568 lakhs as at 31 March 2018, total revenues of ₹ 33,428 lakhs and net cash inflows amounting to ₹ 56 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, is 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 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.

We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ₹ 16 lakhs and net assets of ₹ 13 lakhs as at 31 March 2018, total revenues of ₹ 47 lakhs and net cash inflows amounting to ₹ 9 lakhs for the year ended on that date, as considered in the consolidated financial statements. 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 this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, are 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/financial information certified by the management.

The comparative consolidated financial information for the transition date consolidated opening balance sheet as at 01 April 2016, prepared in accordance with Ind AS included in the consolidated financial statements is based on the previously issued Consolidated Financial Statements for the year ended 31 March 2016 prepared in accordance with the accounting standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended which were audited by the predecessor auditor, CNK & Associates LLP, whose report dated 14 May 2016 expressed an unmodified opinion on the Consolidated Financial Statements, and have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS, which have been audited by us. Further, the Holding Company had prepared a separate set of Consolidated Financial Statements for the year ended 31 March 2017 in accordance with the accounting standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended, on which we issued auditor report to the shareholders of the Company dated 20 May 2017. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, covered under the Act, none of the other directors of the Group companies, covered under the Act, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries :

   (i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 40 to the consolidated financial statements.

   (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act during the year ended 31 March 2018;

   (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 08 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date : 03 May 2018

Annexure 'A' to the Independent Auditor's Report

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

In conjunction with our audit of the consolidated financial statements of Thirumalai Chemicals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, which is a Company covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on IFCoFR criteria established by the Holding Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of IFCoFR issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to 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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR 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 over Financial Reporting

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

Opinion

In our opinion, the Holding Company has in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial control criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date : 03 May 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

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

	Note	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	30,942	31,657	32,055
Capital work-in-progress		4,432	917	1,771
Other Intangible assets	4	54	-	-
Intangible assets under development		-	21	-
Financial assets				
-Investments	5	8,943	5,647	3,332
-Other financial assets	6	225	284	110
Income tax assets (net)	7	954	850	1,222
Other non-current assets	8	3,193	2,314	1,916
		48,743	**41,690**	**40,406**
Current assets				
Inventories	9	12,594	15,168	6,909
Financial assets				
- Investments	10	1,453	2,072	-
- Trade receivables	11	11,944	13,800	12,935
- Cash and cash equivalents	12	2,352	1,310	104
- Bank balances other than those mentioned in cash and cash equivalents	12	2,382	2,262	1,298
- Other financial assets	6	155	329	27
Other current assets	8	2,765	1,886	1,318
Assets classified as held for sale	13	128	128	128
		33,773	**36,955**	**22,719**
Total assets		**82,516**	**78,645**	**63,125**
EQUITY AND LIABILITIES				
Shareholders' funds				
Equity share capital	14	1,024	1,024	1,024
Other equity	15	56,272	38,799	29,652
Total equity		**57,296**	**39,823**	**30,676**
Non-current liabilities				
Financial liabilities				
- Borrowings	16	4,997	1,168	2,364
Deferred tax liabilities	17	5,077	4,217	4,166
Provisions	18	734	690	788
		10,808	**6,075**	**7,318**
Current liabilities				
Financial Liabilities				
- Trade payables	19	11,644	25,720	16,508
- Borrowings	16	-	1,879	4,196
- Other financial liabilities	20	1,559	3,781	3,318
Provisions	18	335	246	466
Other current liabilities	21	874	1,122	643
Total liabilities		**14,412**	**32,748**	**25,131**
Total equity and liabilities		**82,516**	**78,645**	**63,125**
Notes 1 to 41 form an integral part of these consolidated financial statements				

In terms of our report attached
For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner

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

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER

T. RAJAGOPALAN
COMPANY SECRETARY

PLACE : CHENNAI
DATE : 3 MAY 2018

PLACE : CHENNAI
DATE : 3 MAY 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2018

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

	Note	Year ended 31 March 2018	Year ended 31 March 2017
INCOME			
Revenue from operations	23	133,756	111,584
Other income	24	677	414
Total income		**134,433**	**111,998**
EXPENSES			
Cost of materials consumed	25	76,026	70,069
Purchase of stock in trade	25	29	92
Changes in inventories of finished goods, work in progress and stock in trade	26	2,181	(2,707)
Excise duty recovered on sales		2,560	8,738
Employee benefits expense	27	5,380	4,534
Finance costs	28	1,283	1,672
Depreciation expense and amortisation expense	4	3,055	3,585
Other expenses	29	18,619	15,087
Total expenses		**109,133**	**101,070**
Profit before tax		**25,300**	**10,928**
Tax expense			
Current tax		7,396	3,915
Deferred tax		860	35
Adjustment for earlier years		-	(89)
		8,256	**3,861**
Profit for the year		**17,044**	**7,067**
Other comprehensive income:			
Items that will be reclassified to profit or loss			
- Exchange fluctuation on foreign currency translation		75	(230)
		75	**(230)**
Items that will not be reclassified to profit or loss			
- Re-measurement (losses) on defined benefit plans		(33)	(11)
- Gain on revaluation of equity investments		2,688	2,316
- Income tax relating to items that will not be reclassified to profit and loss		11	4
Other comprehensive income for the year, net of tax		**2,666**	**2,309**
Total comprehensive income for the year		**19,785**	**9,146**
Earnings per equity share (Profit for the year)	30		
Basic (in ₹)		166.46	69.02
Diluted (in ₹)		166.46	69.02
Earnings per equity share (Total comprehensive income)	30		
Basic (in ₹)		193.24	89.33
Diluted (in ₹)		193.24	89.33

Notes 1 to 41 form an integral part of these consolidated financial statements

In terms of our report attached
For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner

PLACE : CHENNAI
DATE : 3 MAY 2018

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

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER

T. RAJAGOPALAN
COMPANY SECRETARY

PLACE : CHENNAI
DATE : 3 MAY 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2018

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

Particulars	Equity share capital	Reserves and Surplus				Total	Other reserves	Total
		General reserve	Capital reserve	Securities Premium	Retained Earnings		Accumulated other comprehensive income	
Balances at 01 April 2016	**1,024**	**4,283**	**3,282**	**1,971**	**12,305**	**21,841**	**7,811**	**29,652**
Transfer from statement of profit and loss	-	-	-	-	7,067	7,067	-	7,067
Other comprehensive income	-	-	-	-	-	-	2,079	2,079
Balances at March 31, 2017	**1,024**	**4,283**	**3,282**	**1,971**	**19,372**	**28,908**	**9,890**	**38,798**
Transfer from statement of profit and loss	-	-	-	-	17,044	17,044	-	17,044
Dividend declared (relating to 2016-17)	-	-	-	-	(1,920)	(1,920)	-	(1,920)
Dividend distribution tax (relating to 2016-17)	-	-	-	-	(391)	(391)	-	(391)
Other comprehensive income	-	-	-	-	-	-	2,741	2,741
Balances at March 31, 2018	**1,024**	**4,283**	**3,282**	**1,971**	**34,104**	**43,641**	**12,631**	**56,272**

Notes 1 to 41 form an integral part of these consolidated financial statements

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

per **Sumesh E S**
Partner

Place : Chennai
Date : 03 May 2018

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

R Parthasarathy
Managing Director
(DIN : 00092172)

R Ravishankar
Independent Director
(DIN : 01224361)

P Krishnamoorthy
Chief Financial Officer

T Rajagopalan
Company Secretary

Place : Chennai
Date : 03 May 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

		Year ended 31 March 2018	Year ended 31 March 2017
A.	**Cash Flow From Operating Activites**		
	Profit before tax	**25,300**	**10,928**
	Adjustments for:		
	Depreciation and amortization expense	3,055	3,585
	Finance Costs	1,283	1,672
	Interest Income	(147)	(150)
	Dividend Received	(397)	(27)
	Allowance for credit losses on financial assets	221	1
	Profit on sale of tangible assets, net	(6)	(61)
	Unrealised forex gain, net	6	(114)
	Operating profit before working capital changes	**29,315**	**15,834**
	Adjustments for		
	(Increase) / decrease in trade and other receivables	1630	(752)
	(Increase) / decrease in inventories	2,574	(8,259)
	(Increase)/decrease in Other financial asset	113	(1,440)
	(Increase)/decrease in Other assets	(1,757)	(967)
	Increase / (decrease) in trade and other payables	(14,076)	9,212
	Increase/(decrease) in Provision & other current liabilities	746	213
	Increase/(decrease) in Other financial liabilities	(2,222)	461
		(12,992)	**(1,532)**
	Cash Generated From Operations	**16,323**	**14,302**
	Direct tax paid (net)	(8,360)	(3,489)
	Net Cash Inflow / (Outflow) From Operations	**7,963**	**10,813**
B.	**Cash Flow From Investment Activities**		
	Sale of fixed assets	8	129
	Purchase of Fixed assets and Capital work in progress	(5,891)	(2,420)
	Interest received	147	150
	Sale/ (Purchase) of Investments (net)	63	(2,308)
	Dividend received	397	27
	Net Cash Inflow / (Outflow) From Investing Activities	**(5,276)**	**(4,422)**
C.	**Cash Flow From Finance Activities**		
	Proceeds from long term borrowings	3,829	(1,196)
	Short term borrowings (net)	(1,879)	(2,317)
	Interest on borrowings	(1,283)	(1,672)
	Dividend paid (including dividend tax)	(2,311)	-
	Net cash from/(used in) financing activities	**(1,644)**	**(5,185)**
D.	**Net cash flows during the year**	1,042	1,206
E.	Cash and cash equivalents at the beginning of the year	1,310	104
F.	**Cash and cash equivalents at the end of the year**	**2,352**	**1,310**
	Cash and cash equivalents comprise of:		
	Cash on hand	3	3
	Balances with banks - in current accounts	2,349	1,307
	Cash and cash equivalents as per note 12	**2,352**	**1,310**

Notes 1 to 41 form an integral part of these consolidated financial statements

This is the cash flow statement referred to in our report of even date.
In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner

PLACE : CHENNAI
DATE : 3 MAY 2018

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

R. PARTHASARATHY
MANAGING DIRECTOR
(DIN : 00092172)

R. RAVISHANKAR
INDEPENDENT DIRECTOR
(DIN : 01224361)

P. KRISHNAMOORTHY
CHIEF FINANCIAL OFFICER

T. RAJAGOPALAN
COMPANY SECRETARY

PLACE : CHENNAI
DATE : 3 MAY 2018

Summary of significant accounting policies and other explanatory information

1 General Information

Thirumalai Chemicals Limited is a public limited company domiciled in India incorporated under the provisions of the Companies Act and along with its subsidiaries collectively called 'the Group'). The Group's principal activities are manufacturing and selling chemicals. The shares of the Parent are listed on stock exchanges in India.

2 Summary of significant accounting policies

2.1 Basis of preparation of standalone financial statements

The 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.

The Group has adopted all the Indian Accounting standards and the adoption was carried out in accordance with Ind AS 101 – First-time adoption of Indian Accounting Standards. The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. These consolidated financial statements are presented in lakhs of Indian Rupees which is also the Parent's functional currency, except per share data and as otherwise stated. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

2.2 Basis for Consolidation

The consolidated financial statements include the financial statements of the Parent 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 2018. All material inter-company transactions and balances are eliminated on consolidation.

Name of the subsidiary	Country of incor-poration	% of holding either directly or through subsidiary as at	
		31 March 2018	31 March 2017
Tarderiv International Pte Ltd. (Tarderiv)	Singapore	-	100
Lapiz Europe Ltd. (Lapiz)	United Kingdom	100	100
Cheminvest Pte Ltd. (Cheminvest)	Singapore	100	100
Optimistic Organic Sdn Bhd. (OOSB)	Malaysia	100	100

During the year, pursuant to a group restructuring, the company's subsidiary Tarderiv International Pte Ltd, Singapore and its step down subsidiary Cheminvest Pte Ltd, Singapore amalgamated and formed Cheminvest Pte Ltd with effect from 01 July 2017. The change has resulted in a change in ownership of the step down subsidiary Lapiz Europe Limited, which was held by Tarderiv Pte Ltd before the change in group structure, and is now solely held by Cheminvest Pte Ltd.

2.3 Principles for Consolidation

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

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses and gains resulting from intra-group transactions are also eliminated except to the extent recoverable value of related assets is lower than their cost to the Group. Profit or loss of subsidiaries acquired or disposed during the year is recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted.

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.

Excess of acquisition cost over the carrying amount of the Parent's share of equity of the acquiree at the date of acquisition is recognized 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' and classified under 'Reserves and Surplus'.

As per Ind AS 110 - Consolidated Financial Statements prescribed under the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the Parent having no bearing on the true and fair view of the consolidated financial statements of the group are not disclosed in the consolidated financial statements.

Summary of significant accounting policies and other explanatory information

2.4 Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These accounting policies have been used throughout all periods presented in the financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

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.

In accordance with Ind AS 101, the Group presents three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS consolidated financial statements. In future periods, Ind AS 1 requires two comparative periods to be presented for the balance sheet only in certain circumstances.

2.5 Use of estimates

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

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

2.6 Foreign currency translation

Reporting and presentation currency

The consolidated financial statements are presented in Lakhs of Indian Rupees, which is also the functional currency of the Parent.

Foreign currency transactions and balances

Foreign currency transactions are translated into the respective functional currencies of the entities of the Group, using the exchange rates prevailing at the dates of the transactions, duly approximated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the measurement of monetary items denominated in foreign currency at year-end exchange rates are recognized as other income in statement of profit or loss.

Non-monetary items are not translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

2.7 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable by the Group for goods supplied and services provided, excluding trade discounts, VAT and other applicable taxes and are recognized upon the performance of service or transfer of risk to the customer.

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

Sale of goods:

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

Income from wind operated generators:

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

Income from operating lease:

Lease income from operating leases are recognised in the Statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the Group's benefit, even if the receipts are not on that basis. In case of cancellable lease arrangements, it is accounted on accrual basis.

Sale of scrap:

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

Dividend and interest income:

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

Export benefits:

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

Summary of significant accounting policies and other explanatory information

2.8 Property, plant and equipment

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.

Buildings and other equipment

Buildings and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognized 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 Group's management. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses 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 recognized in the statement of profit and loss within other income or other expenses.

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.

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

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. Goodwill (if any) is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

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 recognized 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 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 recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Depreciation and amortisation

Depreciation on tangible assets 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 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.

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

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

2.5 Research and development expenses

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

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

2.6 Leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. All leases other than finance lease are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term unless another

Summary of significant accounting policies and other explanatory information

systematic basis is representative of the time pattern of the Group's benefit, even if the payments are not on that basis. Associated costs, such as maintenance and insurance, are expensed as incurred.

2.7 Financial instruments

Financial assets (other than trade receivables) and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit and loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below. Trade receivables are recognized at their transaction price as the same do not contain significant financing component.

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. Amortized cost

b. Fair Value Through Other Comprehensive Income (FVTOCI) 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.

Financial assets at amortized 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 amortized 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.

Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

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 FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized 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 recognized 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 since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

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 amortized 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 recognized 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 recognized in profit and loss.

Inventories

Raw materials:

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

Work in progress and finished goods:

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes the combined cost of material, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty, wherever applicable. Cost is determined on a First in First out basis. Net realisable

Summary of significant accounting policies and other explanatory information

value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Stores and Spares:

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

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

2.8 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 recognized 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 Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognized as an expense in the period that related employee services are received.

Provident fund

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

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.

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

Gratuity

The liability recognized 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 high quality corporate bonds 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.

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.

2.9 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.

Summary of significant accounting policies and other explanatory information

2.10 Earnings per equity share

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

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

2.11 Taxation

Tax expense recognized in the statement of profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognized in other comprehensive income are also disclosed under the same head.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the respective entity's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognize deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognized in other comprehensive income (such as the re-measurement of defined benefit plans) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

2.12 Contingent liabilities and provisions

Provisions are recognized 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 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 recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized 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 recognize 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.

2.13 Asset held for sale

Non-current assets and disposals groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sales is highly probable. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.14 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.

2.15 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

(₹ in Lakhs)

3 Statement of net assets and profit or loss attributable to owners

Name of the Company	Net Assets		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated assets	₹ in lakhs	As a % of consolidated profit	₹ in lakhs	As a % of consolidated Other comprehensive income	₹ in lakhs	As a % of consolidated total Other comprehensive income	₹ in lakhs
Thirumalai Chemicals Limited	90%	51,448	84%	14,399	97%	2,666	86%	17,065
Cheminvest Pte. Ltd	8%	4,360	0%	36	0%	-	0%	36
Lapiz Europe Ltd	0%	13	0%	14	0%	-	0%	14
Optimistic Organic Sdn Bhd	25%	14,208	16%	2,708	0%	-	14%	2,708
Eliminations	-22%	-12,733	-1%	(113)	3%	75	0%	(38)
Total consolidated	**100%**	**57,296**	**100%**	**17,044**	**100%**	**2,741**	**100%**	**19,785**

4 Property, Plant and Equipment

Particulars	Property, plant and equipment									Intangible Asset
	Freehold Land	Buildings and Roads	Plant and equipment	Wind operated generators	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Total	Computer software
Gross block										
Deemed cost as at 01 April 2016	6,866	1,209	23,246	571	44	60	50	9	32,055	-
Additions	-	38	3,844	-	3	118	20	13	4,036	-
Disposals	-	-	(126)	-	-	(21)	-	-	(147)	-
Exchange difference	-	23	(1,230)	-	(1)	(1)	-	-	(1,209)	-
Balance as at 31 March 2017	**6,866**	**1,270**	**25,734**	**571**	**46**	**156**	**70**	**22**	**34,735**	**-**
Additions	208	-	1,849	-	90	7	57	53	2,264	66
Disposals	-	-	(5)	-	-	(25)	-	-	(30)	-
Exchange difference	-	2	86	-	-	-	-	-	88	-
Balance as at 31 March 2018	**7,074**	**1,272**	**27,664**	**571**	**136**	**138**	**127**	**75**	**37,057**	**66**
Accumulated depreciation / Amortisation										
Balance as at 1 April 2016	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	59	3,418	35	10	32	19	12	3,585	-
Impairment of assets	-	-	135	-	-	-	-	-	135	-
Reversal on disposal of assets	-	-	(63)	-	-	(20)	-	-	(83)	-
Exchange difference	-	-	(560)	-	5	1	(5)	-	(559)	-
Balance as at 31 March 2017	**-**	**59**	**2,930**	**35**	**15**	**13**	**14**	**12**	**3,078**	**-**
Depreciation for the year	-	64	2,870	35	12	28	19	15	3,043	12
Reversal on disposal of assets	-	-	(3)	-	-	(23)	-	-	(26)	-
Exchange difference	-	-	19	-	3	-	(2)	-	20	-
Balance as at 31 March 2018	**-**	**123**	**5,816**	**70**	**30**	**18**	**31**	**27**	**6,115**	**12**
Net block										
Balance as at 1 April 2016	**6,866**	**1,209**	**23,246**	**571**	**44**	**60**	**50**	**9**	**32,055**	**-**
Balance as at 31 March 2017	**6,866**	**1,211**	**22,804**	**536**	**31**	**143**	**56**	**10**	**31,657**	**-**
Balance as at 31 March 2018	**7,074**	**1,149**	**21,848**	**501**	**106**	**120**	**96**	**48**	**30,942**	**54**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

a. In accordance with the option available under IND AS 101 - 'First-time adoption of Indian Accounting Standards' , the Group has adopted to fair value the freehold land located in Ranipet. Based on the valuation report obtained from an external valuer, the fair value of the 44.97 Acres land amounted to ₹ 6828 Lakhs (Cost : ₹ 27 Lakhs) as at 1 April 2016. The Group considered the fair value as deemed cost for this item of Property, Plant and Equipment. The Group has elected to measure other items of property, plant and equipement at the previous GAAP carrying amount i.e 31st March 2016 as its deemed cost on the date of transition to Ind AS i.e 1st April 2016. The Group has adopted cost model as their accounting policy for subsequent measurement and recognition of Property, plant and equipment.

b. For contractual commitment with respect to Freehold land & Property, plant and equipment refer Note 40 A.

c. The vehicles purchased through finance lease arrangement are hypothecated to the lessor (Refer note 31).

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
5 Non-current investments			
<u>Investments designated at fair value through Other Comprehensive Income</u>			
Investments in equity instruments of other companies			
<u>Quoted</u>			
Neyveli Lignite Corporation Limited - 5,000 (5,000) equity shares of ₹ 10 each fully paid up	4	5	4
Piramal Enterprises Limited - 1,409 (1,409) equity shares of ₹ 2 each fully paid up	34	26	14
Piramal Phytocare Limited - 137(137) equity shares of ₹ 10 each fully paid up	-	1	1
Ultramarine and Pigments Limited - 3,250,026 equity shares of ₹ 2 each fully paid up	8,905	5,615	3,313
Total non-current investments	8,943	5,647	3,332
Aggregate amount of:			
-Quoted investments and market value thereof;	8,943	5,647	3,332

The Group has made an irrevocable election of accounting policy as at the adoption date 1 April 2016 to fair value investment in equity instrument through Other Comprehensive Income ('OCI'). Investments at fair value through OCI reflect investment in quoted equity securities. Refer note 36 for determination of their fair values and also note 37 for market risk and credit risk of investments.

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
6 Other financial assets			
Non-current			
(Unsecured, considered good unless and otherwise stated)			
Security deposits			
- Unsecured, considered good	225	216	102
- Unsecured, considered doubtful	3	3	3
Less: Provision for bad and doubtful deposits	(3)	(3)	(3)
Staff advances	-	-	8
Bank balances	-	68	-
	225	284	110
Current			
Staff advances	41	56	27
Others	114	273	-
	155	329	27

There are no financial assets due from directors or other officers of the Group. The carrying amount of the cumulative other financial assets are considered as a reasonable approximation of fair value. There were no movement in the allowances for expected credit losses.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

A description of the Group's financial instrument risks, including risk management objectives and policies are given in Note 37.

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
7	**Income tax assets (net)**			
	Taxes paid in advance (Net of provision for tax)	954	850	1,222
		954	850	1,222

Tax reconciliation:

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Parent at 34.608% (2016-17: 34.608%) and the reported tax expense in the statement of profit and loss are as follows:

	Year ended 31 March 2018	Year ended 31 March 2017
Accounting profit before taxes	25,267	10,917
Enacted tax rates	34.608%	34.608%
Tax on profit at enacted tax rate	8,744	3,778
Weighted deduction for research and development expenses	(166)	(94)
Dividend income	(137)	(9)
Interest under Section 234C	34	17
Deduction under Chapter VI A	35	22
Tax relating to prior years	-	(89)
Difference between Indian and Foreign taxes	(325)	188
Others	71	48
Actual tax expense	**8,256**	**3,861**
Current tax	7,396	3,915
Deferred tax	860	35
Adjustment for earlier years	-	(89)
Tax expense reported in the statement of profit and loss	**8,256**	**3,861**

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
8	**Other non-current assets**			
	Capital advances	1,424	516	135
	Prepaid expenses	22	20	-
	Prepaid lease rentals	1,747	1,778	1,781
		3,193	2,314	1,916
	Other current assets			
	Balance with Government Authorities	1,887	1,219	611
	Prepaid Expenses	373	240	72
	Prepaid lease rentals	32	32	36
	Supplier Advances	251	395	105
	- Considered good	112	-	-
	- Considered doubtful	(112)	-	-
	Others	222	-	494
		2,765	1,886	1,318

All of the Group's other current and non current assets have been reviewed for indicators of impairment. There were allowances for doubtful advances in supplier advances during the year 2017-18 to the extent of ₹ 112 lakhs (31 March 2017 : Nil , 01 April 2016 : Nil) which was identified on a case to case basis from the advances given to the suppliers.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
9	**Inventories**			
	(valued at lower of cost and net realisable value)			
	Raw materials	8,944	9,762	4,045
	Work in progress	669	1,044	485
	Finished goods	1,438	3,236	1,134
	Excise duty paid in advance for goods with agents and depots	-	185	115
	Stock-in-trade	80	88	21
	Stores and spares	1,212	695	1,017
	Fuel	100	46	24
	Packing materials	151	112	68
		12,594	15,168	6,909
	Note			
	1. Goods in transit included above are as below :			
	a. Raw material	18	5	-
	b. Finished goods	848	1,539	524
	c. Stores and Spares	-	31	-
10	**Current Investment**			
	Investments carried at fair value through profit and loss			
	Investments in mutual funds			
	Unquoted			
	BOI AXA Liquid Fund - Direct Plan - Daily Dividend (LFDDR)	-	2,072	-
	IDFC Ultra Short Term Fund	1,453	-	-
	Total current investments	1,453	2,072	-
	Aggregate amount of:			
	-Unquoted investments	1,453	2,072	-
11	**Trade receivables**			
	(Unsecured)			
	Considered good	11,944	13,800	12,935
	Considered doubtful	155	188	234
		12,099	**13,988**	**13,169**
	Less : Allowances for expected credit loss	(155)	(188)	(234)
		11,944	13,800	12,935

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. Allowances, if any, for doubtful debts are recognized 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. Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Movement in Allowances for expected credit loss

Balance at beginning of the year	188	234	171
Additions/(reversal) during the year, net	109	1	110
Utilised during the year	(142)	(47)	(47)
Balance at end of the year	155	188	234

Customer credit risk is managed based on the Group's established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
12	**Cash and bank balances**			
	Cash and cash equivalents			
	Balance with banks in current accounts	2,302	1,307	102
	Cheques on hand	47	-	-
	Cash on hand	3	3	2
	(A)	**2,352**	**1,310**	**104**
	Bank balances other than mentioned in cash and cash equivalents			
	Unpaid dividend	37	19	19
	Balances with bank held as margin money	2,345	2,243	1,279
	(B)	**2,382**	**2,262**	**1,298**
	Total (A+B)	4,734	3,572	1,402

Unpaid interest on maturity deposits included in Cash and Cash Equivalents is ₹ 14 lakhs (31 March 2017 : ₹ 15 lakhs, 01 April 2016 : ₹ 19 lakhs)

13	**Assets classified as assets held for sale**			
	Assets held for disposal	128	128	128
		128	128	128

		As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
		Number	Amount	Number	Amount	Number	Amount
14	**Share capital**						
	Authorised						
	Equity shares of ₹ 10 each	15,000,000	1,500	15,000,000	1,500	15,000,000	1,500
	Unclassified shares of ₹ 10 each	10,000,000	1,000	10,000,000	1,000	10,000,000	1,000
		25,000,000	2,500	25,000,000	2,500	25,000,000	2,500
	Issued						
	Equity shares of ₹ 10 each	10,242,812	1,024	10,242,812	1,024	10,242,812	1,024
		10,242,812	1,024	10,242,812	1,024	10,242,812	1,024
	Subscribed and fully paid-up						
	Equity shares of ₹ 10 each	10,238,812	1,024	10,238,812	1,024	10,238,812	1,024
	Add: Amount paid up on forfeited shares*	4,000	-	4,000	-	4,000	0
		10,242,812	1,024	10,242,812	1,024	10,242,812	1,024

* The amount paid up on forfeited shares is ₹ 22,500 (31 March 2017 : ₹ 22,500; 01 April 2016 : ₹ 22,500) is below the rounding off limit for the schedule.

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

b) **Terms/ rights attached to equity shares**

The Parent has equity shares having a par value of ₹ 10. The Parent 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 Parent , the holders of equity shares will be entitled to receive any of the remaining assets of the Parent, after distribution of all preferential amounts. The distribution will be proportional to the number of equity shares held by the shareholders.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number	% holding	Number	% holding	Number	% holding
Equity shares of ₹ 10 each						
Ultramarine and Pigments Limited	2,045,177	19.97%	2,045,177	19.97%	2,045,177	19.97%
Jasmine Limited	655,005	6.39%	655,005	6.39%	655,005	6.39%
Anil Kumar Goel	218,000	2.13%	230,000	2.25%	531,000	5.19%
	2,918,182	28.49%	2,930,182	28.61%	3,231,182	31.55%

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

e) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31 March 2018.

f) The board of directors in its meeting on 03 May 2018 has recommended a final dividend of ₹ 20 per equity share for the financial year ended 31 March 2018. The recommendation is subject to the approval of shareholders at the annual general meeting and if approved would result in a cash outflow of approximately ₹ 2,469 lakhs including corporate dividend tax.

g) The board of directors in its meeting on 03 May 2018 has recommended for splitting of 1,50,00,000 Equity Shares of ₹10/- each in the Authorized Share Capital of the Company into 15,00,00,000 Equity Shares of Re.1/- each. The same recommendation is subject to approval of shareholders at the annual general meeting.

f) Capital management policies and procedures

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders plus its borrowings and cash credit facility, if any, less cash and cash equivalents as presented on the face of the balance sheet.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Group for the reporting periods under review are summarized as follows:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Borrowings	4,997	3,047	6,560
Cash and bank balances	4,734	3,572	1,402
Net debt (A)	263	(525)	5,158
Total equity (B)	57,296	39,822	30,676
Overall financing (A+B)	57,559	39,297	35,834
Gearing ratio	0.46%	-1.34%	14.39%

	As at 31 March 2018	As at 31 March 2017
15 Other equity		
Reserves and surplus		
Securities premium account		
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 account represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.		
Capital reserve on acquisition		
Balance at the beginning of the year	3,282	3,570
Less : Adjustments related to deferred tax liability	-	(288)
Balance at the end of the year	3,282	3,282

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	As at 31 March 2018	As at 31 March 2017
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.		
Retained earnings		
Balance at the beginning of the year	19,372	12,305
Add : Transfer from statement of profit and loss	17,044	7,067
Less : Final dividend for the year ended 31 March 2017	(1,920)	
Tax on equity dividend	(391)	-
Balance at the end of the year	34,105	19,372
Retained earnings comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc.		
Total reserves and surplus	43,641	28,908
Other reserves		
Accumulated other comprehensive income		
Balance at the beginning of the year	9,890	7,811
Add : Movement during the year	2,741	2,079
Balance at the end of the year	12,631	9,890
Total other reserves	**56,272**	**38,798**

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
16	**Borrowings**			
	Non-current			
	Unsecured			
	Finance lease obligation	29	-	-
	Term loans from others	4,968	1,168	2,335
	Sales tax deferment loan from the Government of Tamilnadu (interest free)	-	-	29
		4,997	1,168	2,364
	Current			
	Short term loans from banks	-	1,879	4,196
		-	1,879	4,196
17	**Deferred tax liabilities, net**			
	The breakup of net deferred tax liability is as follows:			
	On account of timing difference relating to :			
	- Depreciation/ amortization as per financials and depreciation as per tax	3,185	2,297	2,311
	- Revaluation of free hold land	1,563	1,563	1,563
	- Others	923	923	923
		5,671	**4,783**	**4,797**
	Less: Deferred tax asset arising on account of			
	- Adjustments on account of provision for employee benefits	(226)	(199)	(251)
	-Tax on unrealised profit	(220)	(209)	(200)
	- Provision for privilege leave etc.	(76)	(75)	(64)
	- Provision for doubtful debts	(56)	(66)	(82)
	- Other disallowances under Section 43B of Income Tax Act, 1961	(16)	(17)	(34)
		(594)	**(566)**	**(631)**
	Deferred tax liability (net)	**5,077**	**4,217**	**4,166**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Deferred tax recognized in statement of profit and loss and in other comprehensive income for the year ended 31 March 2018:

Particulars	Recognized in other comprehensive income	Recognized in statement of profit and loss
- Adjustments on account of gratuity provision	11	16
- Provision for privilege leave and other disallowances	-	-
- Provision for doubtful debts, deposits, DEPB etc.	-	(10)
- Unrealised profit	-	11
- Timing difference between depreciation/ amortization as per financials and depreciation as per tax	-	(888)
- Others	-	11
Total	**11**	**(860)**

Deferred tax recognized in statement of profit and loss and in other comprehensive income for the year ended 31 March 2017:

Particulars	Recognized in other comprehensive income	Recognized in statement of profit and loss
- Adjustments on account of gratuity provision	4	(52)
- Provision for privilege leave and other disallowances	-	(5)
- Provision for doubtful debts, deposits, DEPB etc.	-	(16)
- Unrealised profit	-	9
- Timing difference between depreciation/ amortization as per financials and depreciation as per tax	-	14
- Others	-	15
Total	**4**	**(35)**

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.

		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
18	**Provisions**			
	Non-current			
	Provisions for employee benefits			
	Gratuity	551	507	636
	Compensated absences	183	183	152
		734	690	788
	Current			
	Provisions for employee benefits			
	Gratuity	103	68	91
	Compensated absences	38	34	32
	Provision for taxes	194	144	343
		335	246	466

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

a) Provision for employee benefits

i) Gratuity

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

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

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Change in projected benefit obligation			
Projected benefit obligation at the beginning of the year	575	727	652
Interest cost	39	57	52
Current service cost	49	46	42
Benefits paid	(42)	(266)	(18)
Actuarial (gain) / loss	33	11	(1)
Projected benefit obligation at the end of the year	654	575	727
Thereof			
Unfunded	**654**	**575**	**727**
Components of net gratuity costs are:			
Current service cost	49	46	42
Interest cost	39	57	52
Net gratuity costs recognised in the income statement	88	103	94
Actuarial gain/loss recognised in other comprehensive income	33	11	(1)
Principal actuarial assumptions used:			
a) Discount rate	7.68%	6.81%	7.84%
b) Long-term rate of compensation increase	10.00%	9.08%	9.00%
c) Average future service	7 years	6 years	5 years
d) Attrition rate	10.50%	12.40%	14.00%
e) Mortality table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

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

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2018	103	61	217	273	654
31 March 2017	67	68	207	233	575
31 March 2016	91	67	68	501	727

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.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2018						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	-0.50%
Impact on defined benefit obligation	(3)	4	(19)	21	20	(19)
31 March 2017						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	-0.50%
Impact on defined benefit obligation	(3)	3	(17)	18	17	(16)
31 March 2016						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	-0.50%
Impact on defined benefit obligation	(2)	2	(17)	18	17	(17)

b) Compensated absences

The Parent permits encashment of compensated absences accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Parent, 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 Parent does not maintain any plan assets to fund its obligation towards compensated absences.

Principal actuarial assumptions used :

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.68%	6.81%	7.84%
Long-term rate of compensation increase	10.00%	9.08%	9.00%
Average remaining life	7 years	6 years	5 years
Attrition rate	10.50%	12.40%	14.00%

19 Trade payables			
Trade payables to micro and small enterprises (Also refer Note a)	39	7	4
Trade payables	11,605	25,713	16,504
	11,644	25,720	16,508

a) Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:

i) Principal amount remaining unpaid	39	15	4
ii) Interest paid by the Group 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.	0.26	0.20	0.41
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	0.26	0.20	0.41

The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
20 Other financial liabilities			
Employee related payables	678	379	290
Amounts due to consignment agents	-	-	86
Directors remuneration payable	242	255	202
Current maturities of long term debt	8	3,113	2,521
Unpaid dividend	37	19	19
Other payables	594	15	200
Total financial liabilities	1,559	3,781	3,318

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.

Unpaid interest on maturity deposits included in other payables is ₹ 14 lakhs (31 March 2017 : ₹ 15 lakhs, 01 April 2016 : ₹ 19 lakhs)

21 Other current liabilities			
Deposits from service providers	47	60	49
Statutory dues	629	573	394
Advances from customers	185	335	200
Other payables	13	154	-
	874	1,122	643

22 Categories of Financial assets and liabilities			
Financial Assets			
Designated at fair value through other comprehensive income			
Investments in quoted equity instrument	8,943	5,647	3,332
Measured at fair value through profit and loss			
Current Investments - Mutual Funds	1,453	2,072	-
Measured at amortised cost			
Trade receivables	11,944	13,800	12,935
Cash and bank balances	4,734	3,572	1,402
Other financial assets	380	613	137
Financial Liabilities			
Measured at amortised cost			
Trade payables	11,644	25,720	16,508
Borrowings	4,997	3,047	6,560
Other financial liabilities	1,559	3,781	3,318

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2018	Year ended 31 March 2017
23	**Revenue from operations**		
	Sale of products		
	Manufactured goods	132,873	110,649
	Traded goods	16	16
	Gross sales	**132,889**	**110,665**
	Other operating revenues, net		
	Sales of power from wind operated generators	149	144
	Income from letting out of storage facility	317	320
	Duty drawback benefit	199	165
	Export incentive	137	227
	Sale of scrap (net of taxes recovered)	65	63
		867	**919**
		133,756	111,584
24	**Other income**		
	Interest Income (Gross)	147	150
	Dividend Income from long term investments	397	27
	Profit on sale of assets (net of loss on sales / scraping of asset)	6	61
	Rent received	40	40
	Excess provisions / Sundry balances written back (net)	4	12
	Insurance claims	21	47
	Miscellaneous receipts	62	77
		677	414
25	**Cost of materials consumed and purchase of stock-in-trade**		
	Inventory at the beginning of the year	9,762	4,045
	Add : Purchases during the year	75,208	75,786
		84,970	79,831
	Less: Inventory at the end of the year	8,944	9,762
		76,026	70,069
	Purchase of stock-in-trade		
	Purchase of machinery spares and other chemicals	29	92
		29	**92**
26	**Changes in inventories**		
	Opening stock		
	Finished goods	3,236	1,134
	Work in progress	1,044	485
	Stock of trading items	88	21
		4,368	1,640
	Closing stock		
	Finished goods	1,438	3,236
	Work in progress	669	1,044
	Stock of trading items	80	88
		2,187	**4,368**
	Excise duty on inventories, net	-	(21)
	Changes in inventories	2,181	(2,707)

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2018	Year ended 31 March 2017
27	**Employee benefits expense**		
	Salaries, wages, bonus, etc	4,809	3,992
	Gratuity expense	88	103
	Contribution to provident fund and other funds	316	279
	Staff welfare expenses	167	160
		5,380	**4,534**
28	**Finance costs**		
	Interest expense	614	1,549
	Exchange differences	-	17
	Other borrowing costs	669	106
		1,283	**1,672**
29	**Other expenses**		
	Stores and spares consumed	1,659	868
	Power and fuel	3,646	3,674
	Repairs to:		
	Machinery	1,379	1,500
	Buildings	188	226
	Others	36	88
	Packing expenses and materials consumed	1,490	1,246
	Freight and forwarding	5,721	4,414
	Commission and brokerage	182	204
	Rent	209	218
	Rates and taxes	279	118
	Insurance	259	170
	Travelling and conveyance	506	339
	Communication expenses	68	61
	Research and development expenses (refer note 34)	305	271
	Expenses on wind operated generators	37	37
	Legal and professional charges (refer note 32)	498	382
	Commission to non-executive directors	147	119
	Provision for doubtful debts	221	1
	Corporate social responsibility expenditure (refer note 33)	202	60
	Donation	44	95
	Loss on foreign currency transaction / translation (net)	680	145
	Impairment expenses	-	135
	Miscellaneous expenses	863	716
		18,619	**15,087**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2018	Year ended 31 March 2017
30	**Earnings per equity share (EPS)**		
	For profit for the year		
	Nominal value of equity shares	10	10
	Profit attributable to equity shareholders (A)	17,044	7,067
	Weighted average number of equity shares outstanding during the year (B)	10,238,812	10,238,812
	Basic earnings per equity share (A/B) (in ₹)	166.46	69.02
	Diluted earnings per equity share (A/B) (in ₹)	166.46	69.02
	For total comprehensive income for the year		
	Nominal value of equity shares	10	10
	Profit attributable to equity shareholders (A)	19,785	9,146
	Weighted average number of equity shares outstanding during the year (B)	10,238,812	10,238,812
	Basic earnings per equity share (A/B) (in ₹)	193.24	89.33
	Diluted earnings per equity share (A/B) (in ₹)	193.24	89.33
31	**Leases**		
	Disclosures in respect of non-cancellable operating leases		
	Total lease payments charged off to the statement of profit and loss	32	32

Disclosures in respect of finance leases

The Group has finance leases for certain items of motor vehicles. These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

The future minimum lease payments for finance lease are as follows :

Particulars	**Minimum lease payments**	
	31 March 2018	**31 March 2017**
Not later than 1 year	8	8
Due later than one year and not later than five years	23	31
Due later than five years	-	-
Total	31	39
Less : Amount representing finance charges	(3)	(5)
Present value of minimum lease payments	**28**	**34**

32	**Payments to auditor**		
	As auditor		
	Statutory audit	18	18
	Limited review	7	7
	Tax audit	3	3
	Total	**28**	**28**
33	**Expenditure on Corporate Social Responsibility (CSR)**		
	(a) Gross amount required to be spent by the Company during the year	136	59
	(b) Amount spent during the year on		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	202	60
	(c) Name of the related party with regard to CSR contribution	Thirumalai Charity Trust	Thirumalai Charity Trust
	(d) Whether any provision made based on contractual obligation to undertake CSR activity	No	No

All the expenditure on CSR have been paid during the year and no provision for expenses are created for the expenditure.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

34 The Parent has spent towards Research and Development expenses during the year which are as under		
Capital expenditure*	218	-
Revenue expenditure (Also refer note 29)	305	271
	523	271

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

* The amount of capital expenditure for 2016-17 is ₹ 21,755 is below the rounding off limit for the schedule.

35 Related parties

a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Key Management Personnel	Mr. R.Parthasarathy (Managing Director)
	Mrs. Ramya Bharathram (Executive Director)
	Mr. C.G Sethuraman (Chief Executive Officer)
	Mr. P Mohana Chandran Nair (Executive Director)
	Mr. P Krishnamoorthy (Chief Financial Officer)
	Mr. T Rajagopalan (Company Secretary)
	Mr. Arun Ramanathan (Independent Director)
	Mr. Neelakantan Subramanian (Independent Director)
	Mr. Raj Kataria (Independent Director)
	Mr. R. Ravi Shankar (Independent Director)
	Mr. P. Shankar (Independent Director) (Retired on 31 July 2017)
	Mr. Dhruv Moondhra (Independent Director)
	Mr. A. Janakiraman (Independent Director) (Retired on 31 July 2017)
	Mr. R. Sampath (Non - Executive Director)
Enterprise over which the Key Managerial Personnel and their relatives are able to exercise significant influence	Ultramarine and Pigments Limited (UPL) Thirumalai Charity Trust (TCT)

b) Transactions with related parties

Transaction	Related Party	Year ended 31 March 2018	Year ended 31 March 2017
Remuneration to Key Managerial Personnel	Mr. R.Parthasarathy*	377	277
	Mrs. Ramya Bharathram	143	146
	Mr. P Mohana Chandran Nair	54	41
	Key Managerial Personnel other than directors	327	281
Director sitting fees and commission	Independent and Non - executive directors	167	165
Rendering of Services	Ultramarine and Pigments Limited	36	44
Receipt of Services	Ultramarine and Pigments Limited	21	2
	Thirumalai Charity Trust	6	4
Donation given	Thirumalai Charity Trust	200	150

*Not included in the above is a payment amounting to ₹ 0 (2016-17 : ₹ 218 Lakhs) made towards gratuity, a defined benefit plan.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

c) **Balances with related parties**

Particulars	Related Party	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivables	Ultramarine and Pigments Limited	7	3	4
Capital advances	Ultramarine and Pigments Limited	136	-	-
Deposits payable	Ultramarine and Pigments Limited	14	14	14
Director's remuneration payable	Key Managerial Personnel	367	255	202

36 Fair value measurement

Fair value measurement hierarchy

The Group records certain financial assets and financial liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Group holds certain fixed income investments and other financial assets, which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and Financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

> **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities

> **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

> **Level 3:** Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2018, 31 March 2017, and 01 April 2016:

(a) Quantitative disclosures fair value measurement hierarchy for assets as at the reporting date:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
i) Assets measured at fair value:					
Fair value through Other Comprehensive Income					
Investments in quoted - equity instrument					
2018	31 March 2018	8,943	8,943	-	-
2017	31 March 2017	5,647	5,647	-	-
2016	01 April 2016	3,332	3,332	-	-
Investment in quoted equity instrument are valued based on the quoted prices available in the market as at the reporting date.					
Fair value through profit and loss account					
Investments in Mutual Fund					
2018	31 March 2018	1,453	-	1,453	-
2017	31 March 2017	2,072	-	2,072	-
2016	01 April 2016	-	-	-	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Investment in mutual funds are valued based on the Net Asset Value (NAV) of the funds as at the year end. The NAV of the funds are provided by the fund management company at the end of each reporting year.

Loans, cash and bank balances, trade receivables, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

The Group has fair valued freehold land as at 01 April 2016 and considered the same as deemed cost as per the option given under first time adoption of IND AS as at transition date. The Group has adopted the policy for subsequent measurement and recognition under the cost model. The non recurring fair value measurement has been considered under level 2, by involving an independent valuer who valued based on the value defined by the municipal corporation for that particular land.

37 Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Group's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its and group companies operations. The Group's principal financial assets include loans, trade and other receivables, investments, cash and short-term deposits that derive directly from its operations. The Group also enters into derivative transactions to hedge and holds short term investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by the Group Treasury Team that 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 Group 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 Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

a) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency risk

Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD) and Euro (EUR).

To mitigate the Group's exposure to foreign currency risk, cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for net foreign currency exposures that are not expected to be offset by other same currency transactions.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency denominated financial assets and financial liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated at the closing rate:-

	Foreign currency exposure (in ₹)	
	USD	EUR
31 March 2018		
Financial assets	5,799	28
Financial liabilities	9,482	-
31 March 2017		
Financial assets	9,522	8
Financial liabilities	10,354	-
1 April 2016		
Financial assets	11,330	-
Financial liabilities	(14,482)	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this disclosure, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The following table illustrates the sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 1% change of the INR /USD exchange rate for the year ended at 31 March 2018 (31 March 2017: 1%). A +/- 1% change is considered for the INR /EUR exchange rate for the year ended at 31 March 2018 (31 March 2017: 1%).

If the INR had strengthened against the USD by 1% during the year ended 31 March 2018 (31 March 2017: 1%) and EUR by 1% during the year ended 31 March 2018 (31 March 2017: 1%) respectively then this would have had the following impact profit before tax and equity before tax:

		31 March 2018	31 March 2017
Profit before tax			
USD	**+1%**	(37)	(8)
EUR	**+1%**	0	0
		(37)	**(8)**
Equity before tax			
USD	**+1%**	(37)	(8)
EUR	**+1%**	0	0
		(37)	**(8)**

If the INR had weakened against the USD by 1% during the year ended 31 March 2018 (31 March 2017: 1%) and EUR by 1% during the year ended 31 March 2018 (31 March 2017: 1%) respectively then this would have had the following impact:

Profit before tax			
USD	**-1%**	37	8
EUR	**-1%**	(0)	(0)
		37	**8**
Equity before tax			
USD	**-1%**	37	8
EUR	**-1%**	(0)	(0)
		37	**8**

b) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example trade receivables, investment in mutual funds etc. the Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting period, as summarised below:

	31 March 2018	31 March 2017	1 April 2016
Classes of financial assets			
Investments	10,396	7,719	3,332
Trade receivables	11,944	13,800	12,935
Cash and bank balances	4,734	3,572	1,402
Other financial assets	380	613	137

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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 mainly comprises of tender deposits and security deposits which are given to customers or other governmental agencies in relation to contracts executed and are assessed by the Group for credit risk on a continous basis.

c) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

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 - 90 days based on the credit period.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and short-term borrowings. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The Group's financial liabilities have contractual maturities as summarised below:

As at 31 March 2018	**Current**		**Non Current**	
	Within 6 months	**6 to 12 months**	**1 to 5years**	**Later than 5 years**
Borrowings	-	-	4,997	-
Trade and other payables	11,644	-	-	-
Other financial liabilities	1,559	-	-	-
As at 31 March 2017		**Current**		**Non Current**
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**
Borrowings	1,879	-	1,168	-
Trade and other payables	25,720	-	-	-
Other financial liabilities	3,781	-	-	-
As at 01 April 2016		**Current**		**Non Current**
	Within 6 months	**6 to 12 months**	**1 to 5years**	**Later than 5 years**
Borrowings	4,196	-	2,364	-
Trade and other payables	16,508	-	-	-
Other financial liabilities	3,318	-	-	-

38 First-time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Group prepared its financial statements in accordance with Companies (Accounting Standard) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act (Previous GAAP). Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017. This note explains the principal adjustments made by the Group in restating its statement of financial position as at 01 April 2016 and its previously published financial statements as at and for the year ended 31 March 2016 under previous GAAP.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

a) First time adoption exemptions applied

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Group has applied the mandatory exceptions and certain optional exemptions, as set out below:

Mandatory exceptions adopted by the Group

(i) De-recognition of financial assets and liabilities

The de-recognition criteria of Ind AS 109 Financial Instruments has been applied prospectively for transactions occurring on or after the date of transition to Ind AS. Non-derivative financial assets and non-derivative financial liabilities derecognized before date of transition under previous GAAP are not recognized on the opening Ind AS balance sheet.

(ii) Estimates

Hindsight is not used to create or revise estimates. The estimates made by the Group under previous GAAP were not revised for the application of Ind AS except where necessary to reflect any differences in accounting policies or errors.

Optional exemptions availed by the Group

(i) Property, Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP or fair value them as at the date of transition and use that as its deemed cost as at the date of transition. The Group has elected to use carrying value under previous GAAP as the deemed cost on the date of transition to Ind AS for all property, plant and equipment, except a freehold land from the block has been identified and fair valued as at 01 April 2018. The Group has adopted cost model for subsequent measurement and recognition of items in property, plant and equipment.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Group has elected to apply this exemption to its financial assets.

(iii) Leases

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. As per Ind AS 17, this assessment should be carried out at inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

b) Reconciliation of equity

Reconciliation of equity as at 01 April 2016 (date of transition to Ind AS)

	Foot note	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	25,573	6,482	32,055
Capital work-in-progress		1,771	-	1,771
Financial assets			-	
-Investments	2	543	2,789	3,332
-Other financial assets		110	-	110
Income tax assets (net)		1,222	-	1,222
Other non-current assets	1	135	1,781	1,916
		29,354	11,052	40,406

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	Foot note	Previous GAAP*	Adjustments	Ind AS
Current assets				
Inventories		6,909	-	6,909
Financial assets				
-Trade receivables		12,935	-	12,935
-Cash and cash equivalents		104	-	104
- Bank balances other than those mentioned in cash and cash equivalents		1,298	-	1,298
-Other financial assets		27	-	27
Other current assets	1	1,286	32	1,318
Assets classified as assets held for sale		128	-	128
		22,687	32	22,719
Total assets		52,041	11,084	63,125
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital		1,024	-	1,024
Other equity	1,2,5,8	20,849	8,803	29,652
Total equity		21,873	8,803	30,676
Non-current liabilities				
Financial liabilities				
- Borrowings		2,364	-	2,364
Deferred tax liabilities	1,2	1,885	2,281	4,166
Provisions		788	-	788
		5,037	2,281	7,318
Current liabilities				
Financial Liabilities				
-Trade payables		16,508	-	16,508
- Borrowings		4,196	-	4,196
- Other financial liabilities		3,318	-	3,318
Provisions		466	-	466
Other current liabilities		643	-	643
Total liabilities		25,131	-	25,131
Total equity and liabilities		52,041	11,084	63,125

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Reconciliation of equity as at 31 March 2017

	Foot note	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	26,639	5,018	31,657
Capital work-in-progress		917	-	917
Intangible assets under development		21	-	21
Financial assets			-	
-Investments	2	542	5,105	5,647
-Other financial assets		284	-	284
Income tax assets (net)		850	-	850
Other non-current assets	1	536	1,778	2,314
		29,789	11,901	41,690
Current assets				
Inventories		15,168	-	15,168
Financial assets				
-Investments	2	2,050	22	2,072
-Trade receivables		13,800	-	13,800
-Cash and cash equivalents		1,310	-	1,310
- Bank balances other than those mentioned in cash and cash equivalents		2,262	-	2,262
-Other financial assets		351	(22)	329
Other current assets	1,2	1,855	31	1,886
Assets classified as assets held for sale		128	-	128
		36,924	31	36,955
Total assets		66,713	11,932	78,645
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital		1,024	-	1,024
Other equity	1,2,5,8	28,568	10,230	38,798
Total equity		29,592	10,230	39,822
Non-current liabilities				
Long-term borrowings		1,168	-	1,168
Deferred tax liabilities	1,2	2,515	1,702	4,217
Provisions		690	-	690
		4,373	1,702	6,075
Current liabilities				
Financial Liabilities				
-Trade payables		25,720	-	25,720
- Other financial liabilities		3,781	-	3,781
Borrowings		1,879	-	1,879
Provisions		246	-	246
Other current liabilities		1,122	-	1,122
Total liabilities		32,748	-	32,748
Total equity and liabilities		66,713	11,932	78,645

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Reconciliation of profit and loss for the year ended 31 March 2017

	Foot note	Previous GAAP*	Adjustments	Ind AS
Revenue				
Revenue from operations	7,6	103,270	8,314	111,584
Other income		414	-	414
Total income		103,684	8,314	111,998
Expenses				
Cost of materials consumed		70,069	-	70,069
Purchase of stock in trade		92	-	92
Changes in inventories of Finished Goods, Work in Progress and Stock in trade		(2,707)	-	(2,707)
Excise duty recovered on sales	6	-	8,738	8,738
Employee benefits expense	3	4,545	(11)	4,534
Finance costs		1,672	-	1,672
Depreciation and amortisation expense	1	3,621	(36)	3,585
Other expenses	1,5	15,472	(385)	15,087
Total expenses		92,764	8,306	101,070
Profit before tax		**10,920**	**8**	**10,928**
Tax expense				
Current tax		3,915	-	3,915
Deferred tax	3	40	(5)	35
Adjustment for earlier years		(89)	(0)	(89)
		3,866	**(5)**	**3,861**
Profit for the year		7,054	13	7,067
Items that will be reclassified to profit or loss				
- Exchange fluctuation on net investment		-	(230)	(230)
		-	(230)	(230)
Other comprehensive income:	4			
Items that will not be reclassified to profit or loss				
- Re-measurement (losses) on defined benefit plans	3	-	(11)	(11)
- Gain on revaluation of equity investments	2	-	2,316	2,316
- Income tax relating to items that will not be reclassified to profit and loss		-	4	4
Other comprehensive income for the year, net of tax		-	2,309	2,309
Total comprehensive income for the year		7,054	2,092	9,146

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

c) **Reconciliation of Other Equity**

	31 March 2017	1 April 2016
Total equity as per previous GAAP	**28,568**	**20,849**
Adjustments:		
Gain on fair valuation of equity instruments	5,105	2,789
Deferred tax on above item	(141)	(635)
Gain on revaluation of freehold land, net of deferred tax	5,266	5,266
Exchange fluctuation on foreign currency translation	-	1,471
Deferred tax on negative goodwill	-	(288)
Deferred tax impact on unrealised profit	-	200
Total equity under Ind AS	**38,798**	**29,652**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Footnotes to the reconciliations

1) Classification of lease hold land

Under the previous GAAP, leasehold lands were classified as property,plant and equipment whereas the same has been reclassified as operating lease and disclosed under other current and non current assets. Amortization relating to these lease hold land has been classified as rental expense. The reclassification under IND AS is due to the fact that land is considered as an asset which has indefinite lifetime and needs to be classified under operating lease.

Deemed cost of free hold land

Under the previous GAAP, freehold land was valued at historic cost, whereas the same has been fair valued as at 01 April 2016 and considered the same to be deemed cost as at the date of transition for accounting. Gain on revaluation has been recognised in other comprehensive income (net of deferred tax liability).

2) Fair value of investments

Under the previous GAAP, investments in equity and mutual funds were classified as long-term investments or current investments based on intended holding period or realisability and were accounted at cost less provision for diminution in value of investments. Under Ind AS, these investments are required to be measured at fair value. The Group has designated these investements as classified at fair value through other comprehensive income and through profit or loss account respectively. The resulting fair value changes of these investments have been recognised in other equity as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017.

3) Defined benefit obligation

Both under previous GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to other equity through other comprehensive income.

4) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

5) Foreign currency translation reserve

The Group had accumulated foreign currency translation reserve under previous GAAP, which as per the option given under the first time adoption of IND AS can be reset to zero as at the transition date. The Group has elected to reset the foreign currency translation reserve to zero as at 1 April 2016. Accordingly, translation reserve balance accumulated under the previous GAAP of ₹ 3,169 lakhs has been reclassified to retained earnings. There is no impact on total equity as a result of this adjustment.

6) Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase of total revenue and total expenses for the year ended 31 March 2017 by ₹ 8,738 lakhs. There is no impact on the total equity and profit.

7) Cash discount on sale transactions

Under the previous GAAP, the cash discounts provided to the customers were grouped under other expenses. Under IND AS, revenue has to be measured at fair value of consideration received or receivable for the sale transaction effected by the Group. Hence, the same has been reduced from the revenue from operations.

8) Exchange Difference on restatement of financial assets

Under the previous GAAP, the investments in preference shares of subsidiary was carried at cost. Under Ind AS, these investments, denominated in US Dollars, are to be classified as financial assets and be translated using the exchange rate at the reporting date with a corresponding debit/credit to the statement of profit and loss.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

39 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2018) and the report release date (03 May 2018) except for proposed dividend and stock split as disclosed in note 14 .

	As at 31 March 2018	As at 31 March 2017
40 Contingent liabilities, commitments and guarantees		
(A) Commitments		
Estimated amount of contracts to be executed on capital account and not provided for	14,694	3,192
- Against which advances paid	1,424	516
Other commitments are cancellable at the option of the Group and hence not disclosed.		
(B) Contingent liabilities		
Indirect tax matters under dispute (Refer note (i) below)	159	165
Income tax demand including interest contested in Appeal (Refer note (ii) below)	462	462
Other claims against the Company not ackowledged as debts	-	324

(i) The Sales-tax authorities have issued notices to the Parent 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 Parent has filed a writ petition against these notices in the High Court. The Parent 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 ₹ 75 Lakhs (Previous Year ₹ 80 Lakhs) since the Parent 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 Parent has already paid ₹ 19 Lakhs (Previous year ₹ 19 lakhs).

(ii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹ 461 Lakhs (Previous Year ₹ 511 Lakhs) since the Parent 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 Parent has already paid ₹ 281 Lakhs (Previous year ₹ 306 Lakhs).

41 Segment reporting

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, which was a previously reported segment, has been assessed to be very insignificant resulting in its operations and results are not being actively reviewed by decision makers of Group. Accordingly, the company has a single reportable segment.

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

per **Sumesh E S**
Partner

Place : Chennai
Date : 03 May 2018

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

R Parthasarathy
Managing Director
(DIN : 00092172)

R Ravishankar
Independent Director
(DIN : 01224361)

P Krishnamoorthy
Chief Financial Officer

T Rajagopalan
Company Secretary

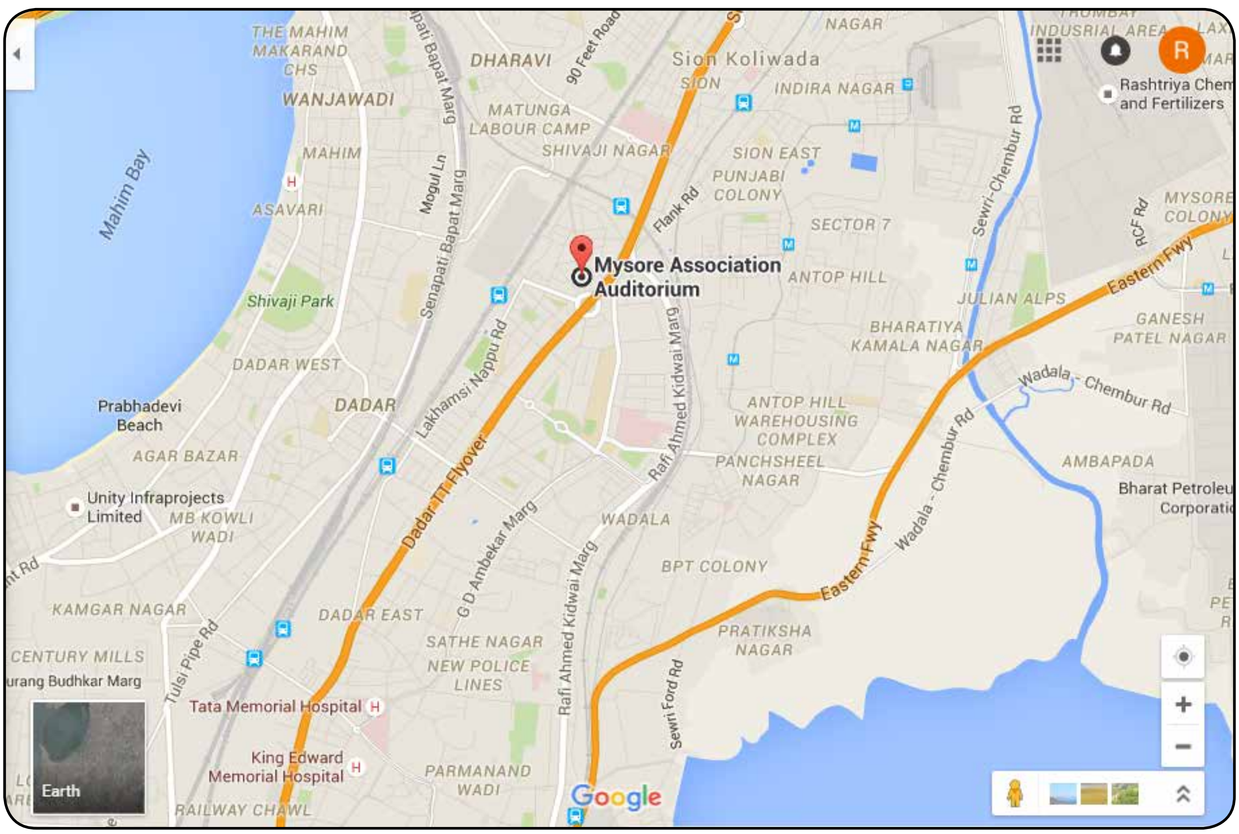
Place : Chennai
Date : 03 May 2018

FINANCIAL HIGHLIGHTS (STANDALONE)

₹in Million

Particulars	17-18	16-17	15-16	14-15	13-14	12-13	11-12	10-11	09-10	08-09
Share Capital	102.4	102.4	102.4	102.4	102.4	102.4	102.4	102.4	102.4	102.4
Reserves & Surplus	5,042.4	3,567.0	1,736.2	1,407.4	1,321.4	1,277.0	1,062.9	951.6	766.1	750.0
Networth	5,144.8	3,669.4	1,838.6	1,509.8	1,423.8	1,379.4	1,165.3	1,054.0	868.5	852.4
Fixed Assets(net)	1,856.1	1,549.4	767.8	747.4	801.6	928.3	1,031.7	1,025.5	1,111.1	1,229.5
Sales/Other Income	10,471.8	9,523.6	7,921.1	9,416.8	10,506.5	11,557.2	9,113.0	7,784.3	6,325.3	4,840.5
Gross Profit/(loss)	2,390.0	1,403.0	915.5	596.5	610.7	1,091.2	719.9	701.9	703.3	(406.1)
Interest/Finance Charges	109.3	145.5	209.7	331.1	454.2	520.2	523.7	175.1	199.4	170.3
Depreciation	103.9	140.2	65.7	70.1	122.1	128.7	138.1	133.9	123.6	122.3
Current Tax	737.5	381.1	238.1	54.8	26.0	188.4	34.6	51.1	66.5	1.2
Deferred Tax	(0.40)	(4.9)	25.3	1.5	27.3	23.6	24.4	71.0	120.3	(240.5)
Net Profit/(Loss)	1,439.9	741.3	427.3	142.0	35.7	277.5	47.8	185.5	258.6	(460.0)
Dividend (incl.tax)	246.9	231.1	123.2	49.3	-	89.4	-	-	59.7	-
Dividend (%)	200.0	187.5	100.0	40.0	-	75.0	-	-	50.0	-
Earning Per Share (Rs.)	140.63	72.41	41.73	13.87	3.48	27.10	4.67	18.12	25.26	(44.93)

Route Map to the Venue of Forty Fourth AGM



THIRUMALAI CHEMICALS LTD.

Registered Office: Thirumalai House, Road No. 29, Plot No. 101/102, Near Sion Hill Fort, Sion - E, Mumbai - 400 022.

Forty Fifth Annual General Meeting on July 24, 2018

FORM NO. MGT - 11

PROXY FORM

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

CIN : L24100MH1972PLC016149	Registered office :Thirumalai House, Road No.29, Near Sion Hill Fort, Sion(E), Mumbai - 400 022.
Name of the Company :Thirumalai Chemicals Ltd.	

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

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

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

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 45^{th} Annual General meeting of the Company, to be held on the July 24, 2018 at 2.30 p.m. at the Mysore Association Auditorium, Mysore Association, 393, Bhaudaji Road, Matunga - (C.Rly), Mumbai - 400 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Annual Accounts as on March 31, 2018.
2. To declare dividend for the Financial Year ended March 31, 2018.
3. Reappointment of Mr. P. Mohana Chandran Nair (DIN 07326079) who retires by rotation.
4. To ratify the remuneration of Cost Auditor for Financial Year 2018-19.
5. Approval for splitting of the Company's Equity Shares of ₹10/- each into 10 Equity Shares having a face value of Re. 1/- each including alteration of the Memorandum & Articles of Association of the Company.
6. To Modify the terms of Appointment of Mrs. Ramya Bharatharam, Whole-Time Director

Revenue Stamp of Re.1/-

Signed this __________day of _____________2018

Signature of shareholder

Signature of Proxy holder (s)

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

THIRUMALAI CHEMICALS LTD.

CIN: L24100MH1972PLC016149

Registered Office: Thirumalai House, Road No. 29, Plot No. 101/102, Near Sion Hill Fort, Sion - E, Mumbai - 400 022.

Phone: 022-24017841, 43686200; **Fax:** 022-24011699.

Email: thirumalai@thirumalaichemicals.com; **Website:** http://www.thirumalaichemicals.com

45th Annual General Meeting on Tuesday, July 24, 2018

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 45th Annual General meeting of the Company held on July 24, 2018 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.

The Akshaya Vidya Trust

Vedavalli Vidyalaya Senior Secondary School, Walaja (CBSE) 1994
Vedavalli Higher Secondary School, Walaja (State Board) 1999
Vedavalli Vidyalaya Nursery & Primary & Senior Secondary School, Ranipet (CBSE) 2003

Two decades in Education

The Akshaya Vidya Trust is moving into its 25th year in holistic education. The aim of the three Vedavalli Vidyalaya schools has been to provide a well-rounded education to children in our school. It has never stopped with only our students and teachers. As we offer exposure to our students to people, places and ideas, we also engage them in outreach activities. Our students have gone out into the society to teach government school children, worked with other Trusts to promote health consciousness and cleanliness, and engaged with special school children. Our current focus is to give them insight into our heritage in the locality and to create awareness on greening the environment. By inculcating values and through practical learning, we aim to make our children competent adults and responsible citizens.

For the 25th year, the school has taken up two projects to work on. The first campaign is ***"My Town, My Pride"*** to spread awareness about the heritage sites in our towns – Walajapet, Ranipet, and Arcot. Nearly 10 sites have been identified. The second project is to create awareness through the "My Town, Green Town" campaign to make our town green and less polluted.

We have conducted three campaigns: a 5 km rally to the 1000-year-old Gudimallur temple, a cycle rally to spread awareness about rainwater harvesting, and an exhibition at the Walaja Railway Station highlighting its importance. Our next academic year starts with a new kind of conference on one broad thought – School and Community. Schools can never work in isolation. They have to work with the community so that students and teachers understand how the community works and behaves. Students need to understand the diversity in society – economic, social, and people with different abilities. The title for the Conference is ***Promoting Social and Cultural Diversity through Education.***

Exposure Trip

Students are taken on exposure trips to many places. This year, students were also taken to places such as Crocodile park in Chennai, Ginji fort, Dakshin Chitra, and Mahaballipuram as a part of educational tours. On a regular basis, they are taken to some local places such as Vellore Fort, Weavers' Mill, Mukundrayapuram Railway station, Periyar Park, Navlock Farm, and Ultramarine and Pigments Limited.

Co-scholastic

Competitive exams are one way to provide exposure to the students. Our students participated in many competitions conducted by District Science Centre Vellore on account of Ramanujam's Birthday, drawing competitions in Voorhees School, inter-school competitions, and Creative Film Expo.

Teachers' Empowerment Programs

Our teachers constantly strive to stay updated by attending workshops and various training programs.

- "Peace in Education" conducted by Mr. Chinthan Girish Modi.
- Program on Scouts and Guides in Vellore conducted by Government of Tamil Nadu.
- Kuruvilla Jacob Initiative and V-Excel Educational trust organized a workshop on "Inclusive Education."
- Our teachers attended a Geography workshop conducted by AGTI.
- A few teachers attended a Language workshop on LSRW skills organized by Trinity Academy.

Please visit our website www.vedavallividyalaya.org

Thirumalai Charity Trust

Ranipet

Thirumalai Charity Trust has a 35-year track record in rural service. The Thirumalai Mission Hospital set up in 2010 at Ranipet is growing in size and reach. With its percolated network in 315 villages, serving 35,000 families, and 160,000 people in Vellore District, the Thirumalai Charity Trust is engaged in health education, identifying people with problems and streamlining care for them at the hospital with follow-up service in their homes.

Located on a 5-acre plot and housed in four floors with a carpet area of more than 20,000 sq ft, the Thirumalai Mission Hospital offers a patient-friendly environment in well lit, spacious, and ventilated facilities. The in-patient and out-patient services are offered in the departments of General Medicine, General Surgery, Pediatrics, Obstetrics and Gynecology, Orthopedics, Emergency, Intensive Medical Care, Dentistry and De-addiction Rehabilitation. The departments are supported by excellent lab and diagnostic services. Our medical experts have carefully designed programs for the community offering continuity of care both in the hospital and in their homes. We have on-going programs for detection, care and management of diabetes, hypertension, osteoporosis, alcoholism, and tobacco abuse.

The highlights of the year are as follows:

- ☐ We have treated nearly 25,000 out-patients and 750 in-patients.
- ☐ Our camps both in the community and the hospital are for the rural patients from our community. Nearly 2000 patients have attended these camps and the required treatment was given to nearly 1300 of them at the hospital.
- ☐ Our Cancer Screening Program for women has been conducted for five years. We have also been carrying out Oral Cancer Screening since May 2017 and nearly 2000 people have gone through screening. Besides cancer detection, we also offer tobacco cessation service in the screening camps and thereafter in the community. The identified cancer patients are referred to government and private hospitals as per the patients' ability to pay. They are followed up for monitoring for compliance.
- ☐ Our Emergency room is getting busy and recognized in the locality for providing quality care.

- ☐ We have commenced research to study the prevalence of oral cancer. More studies are being planned.
- ☐ Our primary healthcare activities are getting strengthened with targeted and focused educational inputs using a variety of multimedia communication tools.

We are currently expanding our hospital building to three more floors above the Emergency wing. We will be strengthening our care programs, commencing early detection of disability in children, and intervening with diet and education service for obesity.

We have received continued support and motivation from our donors. We are very gratified when our beneficiaries come back to tell us how we have made a difference to them! TCT has come a long way since the time it was established in 1970 to put into action our Founders' belief, "Social responsibility of business is not optional, but obligatory." We invite you to participate in our Mission. Please visit us in person to get some insight into our service.

Kindly visit our websites:
www.thirumalaicharitytrust.org & www.thirumalaimissionhospital.org