THIRUMALAI CHEMICALS LTD.

2018–19

46th Annual Report

Board of Directors

Mr. R. Parthasarathy (Chairman & Managing Director)
Mr. N. Subramanian
Mr. Raj Kataria
Mr. R. Ravi Shankar
Mr. Dhruv Moondhra
Mr. Arun Ramanathan
Mr. R. Sampath
Mr. Rajeev M Pandia (Additional Director)
Mrs. Ramya Bharathram (Whole-time Director)
Mr. P.Mohana Chandran Nair (Whole-time Director)

Chief Executive Officer

Mr. C.G. Sethuram

Chief Financial Officer

Mrs. Ramya Bharathram

Company Secretary

Mr. T. Rajagopalan

Bankers

- Bank of India
- Andhra Bank
- Axis Bank Ltd
- IndusInd Bank
- IDFC Bank
- Yes Bank
- Standard Chartered Bank
- HSBC 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 No : +91 22 49186000
Fax : +91 22 49186060
E-mail : rnt.helpdesk@linkintime.co.in
Web site : 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

46th Annual General Meeting

Date & Time

Thursday, July 25, 2019 at 2.30 p.m.

Venue

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

Book closure

Friday, July 19, 2019 to
Thursday, July 25, 2019 (both days inclusive)

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 SIXTH 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 Thursday, 25th July, 2019 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, 2019 and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the Financial Year ended March 31, 2019.
3. To appoint a Director in place of R. Sampath (DIN-00092144), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   “**RESOLVED THAT**, notwithstanding his completion of seventy years of age during the proposed tenure, pursuant to the section 196 of the Companies Act, 2013 and other applicable provisions of the Act and Articles of Association of the Company, Mr. R. Parthasarathy (DIN: 00092172), Director, be and is hereby appointed as “Chairman & Managing Director” of the Company under section 196 of the Companies Act, 2013 with effect from August 01, 2019 for a period of three years.

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

   i) Basic Salary per month ₹ 11 Lakhs (with annual increment of ₹ 1.5 Lakh in April of each year)

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

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

   a) Perquisites like HRA / unfurnished / furnished accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance, medical insurance for self and family, telephone, etc. Such perquisites being restricted to 50% of the Basic Salary for the relevant year and with an annual increase on the same equivalent to one month’s Basic Salary for subsequent years.

   b) Company’s contribution to Provident Fund and Superannuation Fund, each as applicable as per Rules / Norms, or payments made in lieu of such contributions; AND encashment of leave as per rules of the Company. These shall not be included in the computation of limits/ restrictions for remuneration or perquisites as aforesaid, and Mr. R. Parthasarathy shall be entitled to the same.

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

   RESOLVED THAT pursuant to Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment / modification thereof), the consent of the Members of the Company be and is hereby accorded to pay minimum remuneration to Mr. R. Parthasarathy, Managing Director for the Financial Year, in which there are no profits or profits are inadequate, during the period commencing from August 01, 2019 till the expiry of his term i.e. July 31, 2022.

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

5. **To consider the continuation of Directorship of Mr. R. Sampath, Non-Executive Director who will attain the age of Seventy-five (75) in this Financial Year and in this regard if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

   “**RESOLVED THAT**, pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the Members of the Company be and is hereby accorded for the continuation of Directorship of Mr. R. Sampath (DIN-00092144), who is liable to retire by rotation, on the Board of the Company notwithstanding his attaining the age of Seventy-five (75) years on November 11, 2019.”

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

   “**RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 23.04.2018 and 06.05.2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. N. Subramanian (DIN 000336468), who holds office of Independent Director up to 5th August, 2019 and being eligible for re-appointment as well as meeting the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of two (2) consecutive years from 6th August, 2019."

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

   "RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 23.04.2018 and 06.05.2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. R. Ravi Shankar (DIN 01224361), who holds office of Independent Director up to 5th August, 2019 and being eligible for re-appointment as well as meeting the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years from 6th August, 2019"

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

   "RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 23.04.2018 and 06.05.2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr.Raj Kataria (DIN 01960956), who holds office of Independent Director up to 5th August, 2019 and being eligible for re-appointment as well as meeting the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years from 6th August, 2019"

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

   "RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 23.04.2018 and 06.05.2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Dhruv Moondhra (DIN 00151532), who holds office of Independent Director up to 5th August, 2019 and being eligible for re-appointment as well as meeting the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years from 6th August, 2019"

10. **To appoint Mr. Rajeev M Pandia as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

    "RESOLVED THAT, pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 23.04.2018 and 06.05.2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Rajeev M Pandia (DIN 00021730), Additional Director of the Company, who is retiring at this meeting pursuant to the provisions of Section 161 of the Companies Act, 2013, is eligible for appointment and meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five (5) consecutive years from the conclusion of this meeting."

11. **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 M/s GSVK & Co., Cost Accountants, having Registration No. 002371 at 8 / 4 VJ Flats, 30A Valmiki Street, Thiruvanmiyur, Chennai -600 041 be and is hereby appointed as Cost

Auditors to audit the Cost Accounts of the Company and to issue Compliance Certificate for the Financial Year 2019-20 for a remuneration of ₹ 30,000/-, in addition to reimbursement of out of pocket expenses, be and is hereby ratified."

I. NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, July 19, 2019 to Thursday, July 25, 2019 (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 2011-2012 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(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, in respect of the Director seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
7. Electronic copy of the Annual Report for 2018-19 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 2018-19 are being sent in the permitted mode.
8. Electronic copy of the Notice of the 46th 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 46th 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 46th Annual General Meeting and the Annual Report for 2018-19 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 INE338A01024
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 46th 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 21, 2019 at 3.00 p.m. (IST) and ends on July 24, 2019 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 18, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on July 24, 2019.

(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 a.m. to 5.00 p.m.) 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. R. Sampath aged 74, is the Non-Executive Director of the Company, liable to retire by rotation. He is also one of the promoters of the Company. As he is retiring at this AGM, it is proposed to re-appoint him as Director of the Company. His brief profile is given in Item 5. The Directors recommend the resolution set out at item No. 3 of the accompanying Notice for your approval.

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

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

ITEM 4

Mr. R. Parthasarathy was appointed as Chairman and Managing Director of the Company for a period of three years effective from August 1, 2016 as per the terms and conditions approved by the Shareholders at the 43rd Annual General Meeting held on July 29, 2016. Since the aforesaid appointment for the revised period of three years ended on 31st July, 2019, it is proposed to re-appoint him as Chairman and Managing Director of the Company for a period of three years from August 1, 2019 and pay him the remuneration as set out in the resolution in item 4 notwithstanding his completion of seventy years of age during the proposed tenure. His brief profile is given below:

Qualification	B. Tech. (IIT), M.S., (USA)
Expertise in specific functional areas	He has over 40 years of experience in the Chemical and Petrochemical Industries. Under his stewardship in the last few years, the Company has been able to diversify its business, improve in performance and health, create a strong management team and emerge stronger.
Relationship with Director	Mr. R. Sampath – Director
Directorship in other Companies	i. Jasmine Limited ii. N. R. Swamy Investments Private Limited
Shareholding in the Company	2180540 Equity Shares

As the Chairman and Managing Director Mr. R. Parthasarathy shall perform such functions as may from time to time be entrusted to him by the Board. He shall be subject to the supervision and control of the Board of Directors. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof. The special resolution as set out against item No. 4 was approved by the Nomination & Remuneration Committee and the Board at their respective meetings held on April 24, 2019 and May 06, 2019.

Mr. R. Parthasarathy will attain the age of 70 years in December 2020. Hence in accordance with proviso to Section 196 3(a), the Company seeks consent of the members by way of special resolution for continuation of his holding the office of Chairman and Managing Director even after attaining the age of 70 years during the currency of his proposed tenure.

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

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

ITEM 5

Mr. R. Sampath, aged 74, is the Non-Executive Director of the Company, liable to retire by rotation. He is also one of the promoters of the Company. In accordance with Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

Mr. R. Sampath will attain the age of 75 years in November, 2019 and the continuation of his Directorship will be subject to approval by the shareholder by special resolution. Hence the approval of the shareholders is sought for the continuation of his Directorship on the Board of the Company even after attaining the age of 75 years. His brief profile is given below:

Qualification	BSc (Chemistry) from University of Bombay and has a Chemical Engineering degree from USA
Expertise in specific functional areas	He started his career in a Multinational Company and possesses more than 50 years of experience in operation, and managing businesses.
Relationship with Director	Mr. R. Parthasarathy - Director & Mrs. Ramya Bharathram - Director
Directorship in other Companies	Ultramarine & Pigments Limited
Shareholding in the Company	2179670 Equity Shares

The Board of the Company is of the opinion that Mr. R. Sampath has been an integral part of the Board and has provided valuable insights to the Company and his continuation as Director will be in the interest of the Company notwithstanding his completion of seventy five years of age. Hence the Board recommends the resolution set out in item No. 5.

Except Mr. R. Sampath, and his relatives Mr. R. Parthasarathy and Mrs. Ramya Bharathram, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at item No. 5. The other relatives of Mr. R. Sampath may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

ITEM 6

Mr. N. Subramanian, aged 71, was appointed as an Independent Director of the Company by the members at the 41st AGM of the Company held on 6th August, 2014 for a period of five consecutive years which ends on 5th August, 2019. As per Section 149(10) of the Act, Mr. N. Subramanian is eligible for re-appointment on passing a special resolution by the Company. After considering the performance evaluation of Mr. N. Subramanian, and based on the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their meeting held on May 06, 2019, recommended the re-appointment of Mr. N. Subramanian as an Independent Director for another term of 2 (two) consecutive years from 6th August, 2019. The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. His brief profile is given below.

Qualification	Chemical Engineer from IIT Madras, a Management Graduate from IIM Ahmedabad
Expertise in specific functional areas	He has 40 years of experience in the chemical industry in India and Overseas. He is highly respected for his senior management expertise in leading companies in India and Overseas, viz, Chemplast Sanmar, Total Group, Arkema, etc. and for his experience in the Chemical Industry, especially in the Asia Pacific region.
Relationship with Director	Nil
Directorship in other Companies	Endeka Ceramics India Private Limited
Shareholding in the Company	600 Equity Shares

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. N. Subramanian as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Mr. N. Subramanian as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. N. Subramanian, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6

ITEM 7

Mr. R. Ravi Shankar, aged 66, was appointed as an Independent Director of the Company by the members at the 41st AGM of the Company held on 6th August, 2014 for a period of five consecutive years which ends on 5th August, 2019. As per Section 149(10) of the Act, Mr. R. Ravi Shankar is eligible for re-appointment on passing a special resolution by the Company. After considering the performance evaluation of Mr. R. Ravi Shankar, and based on the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors at their meeting held on May 06, 2019, recommended the re-appointment of Mr. R. Ravi Shankar as an Independent Director for the second term of 5 (Five) consecutive years from 6th August, 2019. The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. His brief profile is given below:

Qualification	He is a Chartered Accountant and a Diplomate from IIM Ahmedabad
Expertise in specific functional areas	He has extensive experience in Finance, Manufacturing and Business Management, M & A, and Strategic consultancy. He has been a Global Sourcing Manager for Unilever PLC, in strategic sourcing and supply chain, in London and the USA; General Manager – M&A in Hindustan Lever, during which period he has had extensive experience in M&A and Integration of new businesses. He was a senior partner heading the M&A Division in Ernst & Young for 10 years from 1997-2007. During the last six years he is a CEO of an independent consultancy which advises in M&A, Valuation and Investment Banking. Mr. R. Ravi Shankar also has extensive experience in Business Restructuring & Performance Improvement.
Relationship with Director	Nil
Directorship in other Companies	i. Acsys Investments Private Limited ii. Connect2expert Consultants Private Limited
Shareholding in the Company	Nil

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. R. Ravi Shankar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. R. Ravi Shankar as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. R. Ravi Shankar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

ITEM 8

Mr. Raj Kataria aged 63 was appointed as an Independent Director of the Company by the members at the 41st AGM of the Company held on 6th August, 2014 for a period of five consecutive years which ends on 5th August, 2019. As per Section 149(10) of the Act, Mr. Raj Kataria is eligible for re-appointment on passing a special resolution by the Company. After Considering the performance evaluation of Mr. Raj Kataria, and based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors at their meeting held on May 06, 2019, recommended the re-appointment of Mr. Raj Kataria as an Independent Director for the second term of 5 (Five) consecutive years from 6th August, 2019. The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. His brief profile is given below.

Qualification	He has done Masters in Commerce and obtained Bachelor's Degree in Law (Merit).
Expertise in specific functional areas	He is an experienced Investment Banker with over 20 years in Mergers and Acquisitions and Capital Markets. He also has significant expertise in Company Law, and Corporate Structuring matters. He was Managing Director at Merrill Lynch (DSP Merrill Lynch Ltd.) till July, 2011.
Relationship with Director	Nil
Directorship in other Companies	i. KEMP and Company Limited ii. Mumtaz Hotels Limited iii. Arpwood Capital Private Limited
Shareholding in the Company	500 Equity Shares

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Raj Kataria as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Raj Kataria as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Raj Kataria, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

ITEM 9

Mr. Dhruv Moondhra, aged 42, was appointed as an Independent Director of the Company by the members at the 41st AGM of the Company held on 6th August, 2014 for a period of five consecutive years which ends on 5th August, 2019. As per Section 149(10) of the Act, Mr. Dhruv Moondhra is eligible for re-appointment on passing a special resolution by the Company. After considering the performance evaluation of Mr. Dhruv Moondhra, and based on the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule

IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors at their meeting held on May 06, 2019, recommended the appointment of Mr. Dhruv Moondhra as an Independent Director for the second term of 5 (Five) consecutive years from 6th August, 2019. The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. His brief profile is given below.

Qualification	He is a Bachelor of Arts in Economics from Cornell University
Expertise in specific functional areas	He has in depth experience in Steel Distribution, Trading and Manufacturing. He has also led business startups in the UK / India, etc. His induction will bring a wealth of experience in the commodity industry to the Company. He is an entrepreneur and is Director & Chief Executive Officer of Ice Steel 1 Pvt Ltd.
Relationship with Director	Nil
Directorship in other Companies	i. TTK Prestige Limited ii. ICE Steel 1 Private Limited iii. Steel Mart India Private Limited iv. Steel Endeavours Private Limited
Shareholding in the Company	1000 Equity Shares

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dhruv Moondhra as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Dhruv Moondhra as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Dhruv Moondhra, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9.

ITEM 10

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Rajeev M Pandia aged 69 as an Additional Director on the Board of the Company under Section 161 of the Companies Act, 2013 with effect from 1st August, 2018. Pursuant to the provision of Section 161 of the Companies Act, 2013, being an Additional Director, Mr. Rajeev M Pandia will hold office up to the date of this Annual General Meeting and is eligible to be appointed as an Independent Director of the Company. Mr. Rajeev M Pandia is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Based on the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, it is proposed to appoint Mr. Rajeev M Pandia as an Independent Director for a term of 5 (five) consecutive years from the conclusion of this AGM.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members. His brief profile is given below.

Qualification	He is a Chemical Engineer from IIT, Bombay and holds a Master's degree from Stanford University, California, USA.
Expertise in specific functional areas	Mr. Rajeev M Pandia headed Herdillia Chemicals Limited (later Schenectady Herdillia Limited and SI Group – India Limited) from 1992 and was its Vice Chairman and Managing Director until December 2008. He was thereafter Group Adviser and Director – Global Markets of SI Group, USA. During 2000-2002, he was the President of Indian Chemical Council. He has been invited to make presentations on a wide range of subjects at about 120 national and international conferences in the USA, Europe, Middle East and Asia Pacific. Among his several achievements are the Distinguished Alumnus Award from IIT, Bombay, Rotary International Award, the Lifetime Achievement Award from Indian Chemical Council, Dr. G P Kane Visiting Professorship at UDCT (ICT), honorary Fellowship of Indian Institute of Chemical Engineers and Fellowship of Indian National Academy of Engineering. During 2013, he was appointed by the Ministry of Chemicals and Fertilizers, Government of India on the Committee to draft the National Chemical Policy for India for the next decade. As a jury member for industry awards for many years, he has been associated with high level audits in respect of EHS, Sustainability and Technology functions. He has been providing extensive support for several years to the CMD and the management team at TCL and OOSB in organizational audit and development, growth strategy and has been advising the Executive team in the management team of the Company.
Relationship with Director	Nil

Directorship in other Companies	i. GRP Limited ii. The Supreme Industries Limited iii. Ultramarine & Pigments Limited iv. Excel Industries Limited v. Supreme Petrochem Limited vi. Deepak Phenolics Limited
Shareholding in the Company	2400 Equity Shares

The Board recommends the resolution in relation to appointment of Mr. Rajeev M Pandia as an Independent Director, for the approval by the shareholders of the Company. Except Mr. Rajeev M Pandia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 10.

ITEM No. 11

The Board at its meeting held on May 6, 2019, as recommended by the Audit Committee, appointed M/s GSVK & Co., Cost Accountants, having Registration No. 002371 at 8/4 VJ Flats, 30A Valmiki Street, Thiruvanmiyur, Chennai -600 041 as Cost Auditors to audit the Cost Accounts of the Company and to issue Compliance Certificate for the Financial Year 2019-20 for a remuneration of ₹ 30,000/- in addition to reimbursement of out of pocket expenses. As per Rule 14(a) (ii) of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders. Hence this resolution is placed for the consideration of the shareholders. None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 11. The Directors recommend the resolution set out at item No. 11 of the accompanying Notice for your approval.

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.
06th May, 2019

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 Limited. He is a Chemistry graduate from University of Bombay and has a Chemical Engineering degree from Washington State University, USA. He started his career in a Multinational Company and possesses more than 50 years of experience in operation, and managing businesses.*

***Mr. R. RAVI SHANKAR** is the Chairman of the Audit committee of TCL. He 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 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 has significant expertise in Company Law and Corporate Structuring matters, including as Managing Director in DSP - Merrill Lynch. He is an Executive Director of Arpwood Capital Private Limited, where he has been active in several high profile M&A transactions during the last 6 years. He is the Chairman of the Nomination & Remuneration Committee of TCL and is active in Governance and Corporate matters. He is also on the TCL Business Review committee and Audit committee.*

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

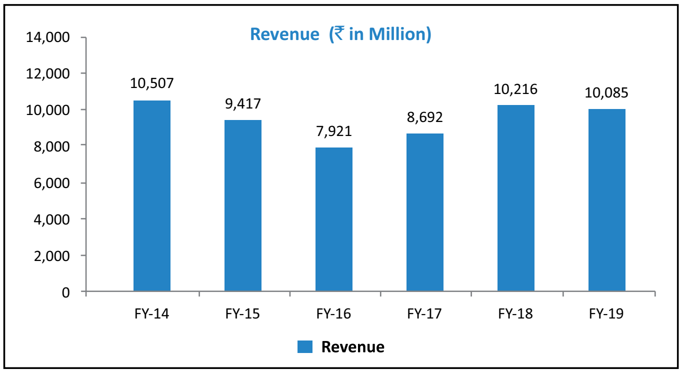
***Mr. ARUN RAMANATHAN** is a IAS Officer (Retd) & has held assignments in diverse areas in promotion and management of small, medium and heavy industry. His most recent positions were Secretary (Department of Chemicals, Petrochemicals & Pharmaceuticals), Secretary (Financial Services) and Union Finance 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. He is a member of the Audit Committee of the Company.*

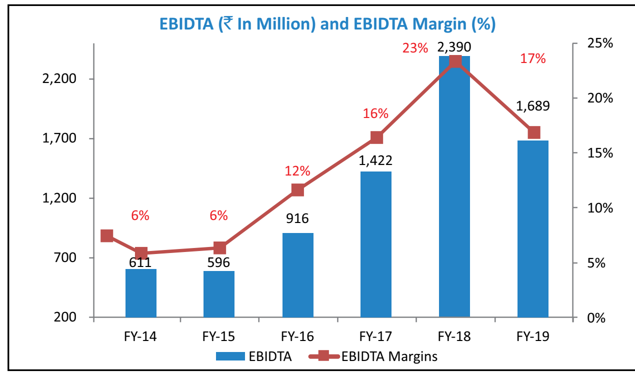
***Mrs. RAMYA BHARATHRAM** is an Executive Director and CFO of TCL. She heads Strategy, and the Specialty Chemicals Businesses. She has over 20 years of experience in marketing, business management, new business development, customs & excise and trade defence. She worked for a leading law firm in India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

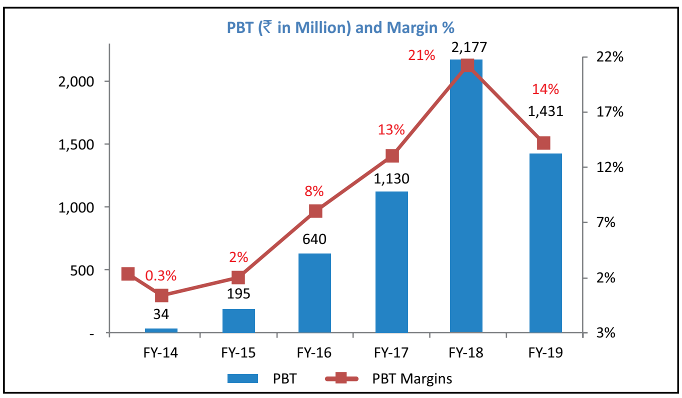
***Mr. P.M.C. NAIR** is an Executive Director and has worked at TCL for 6 years as President (Mfg). Mr. Nair is a Chemical Engineer with over 35 years of experience in various roles at Rashtriya Chemicals and Fertilizers Ltd (RCF). He was the Head of Operations and Profit Centre Head, before he joined TCL.*

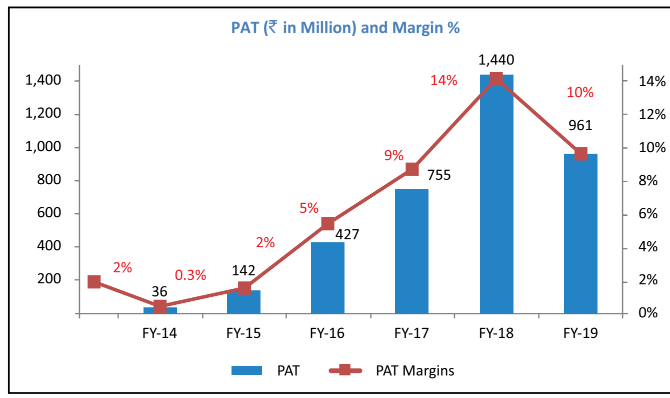
***Mr. RAJEEV M PANDIA** is a Chemical Engineer from IIT, Bombay and holds a Master's degree from Stanford University, California, USA. During 2000-2002, he was the President of Indian Chemical Council. He headed Herdillia Chemicals Limited (later Schenectady Herdillia Limited and SI Group – India Limited)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

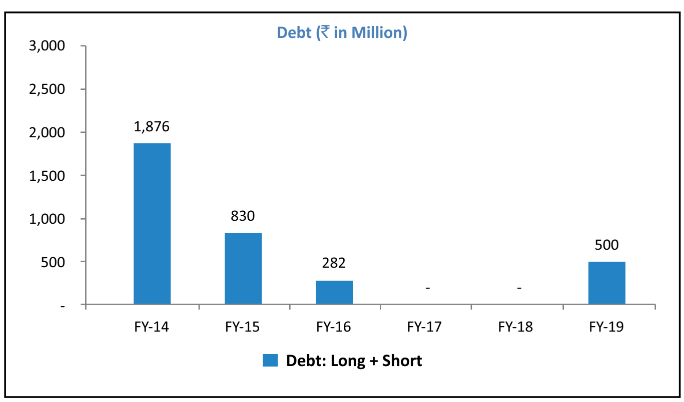
PERFORMANCE INDICATORS - STANDALONE

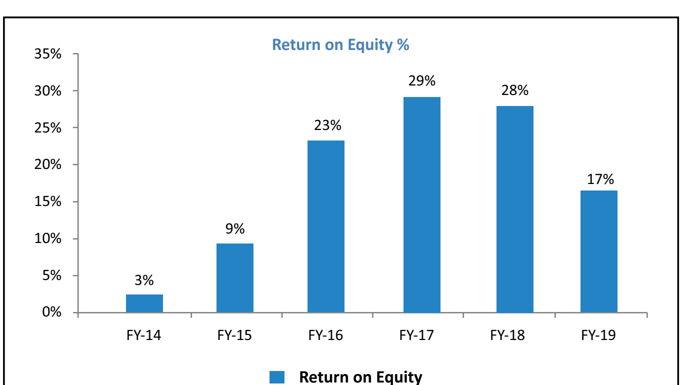


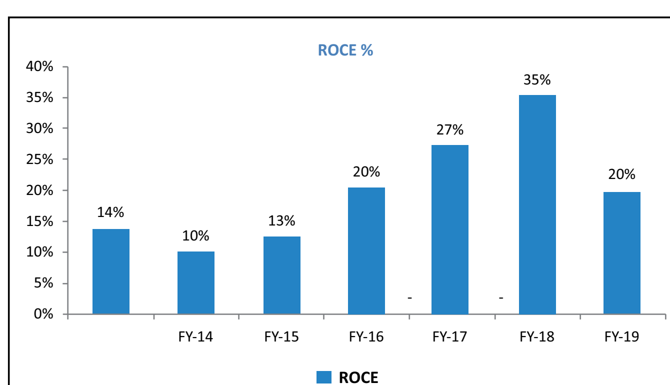




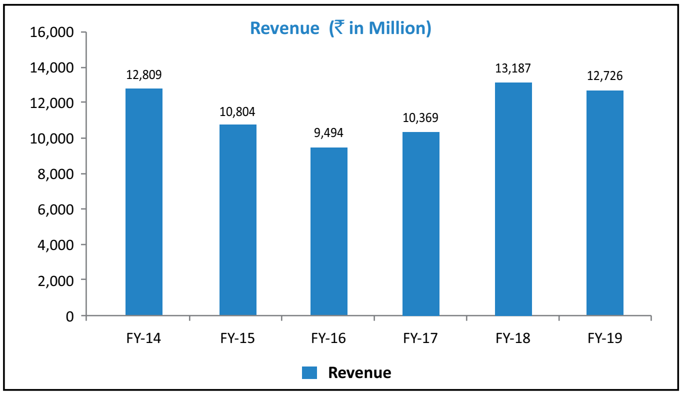


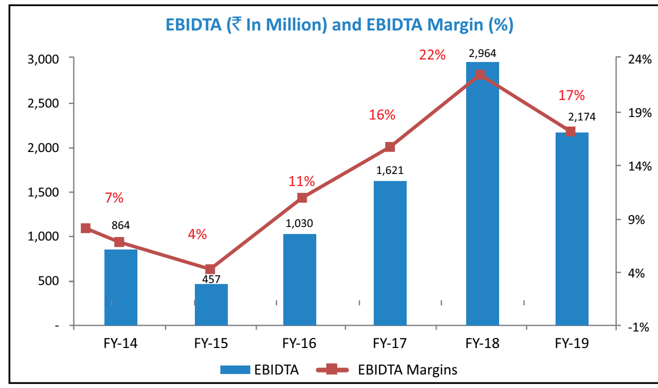


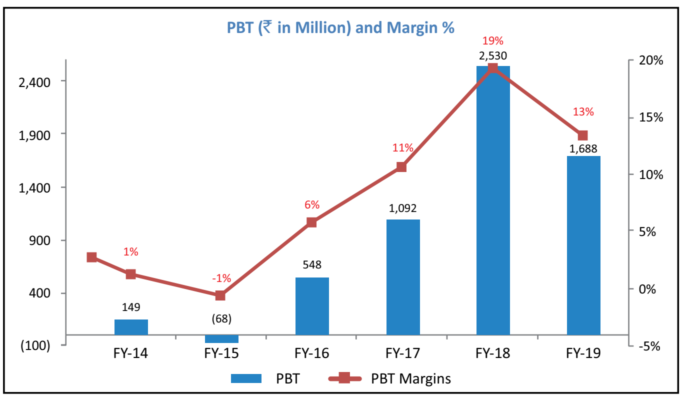


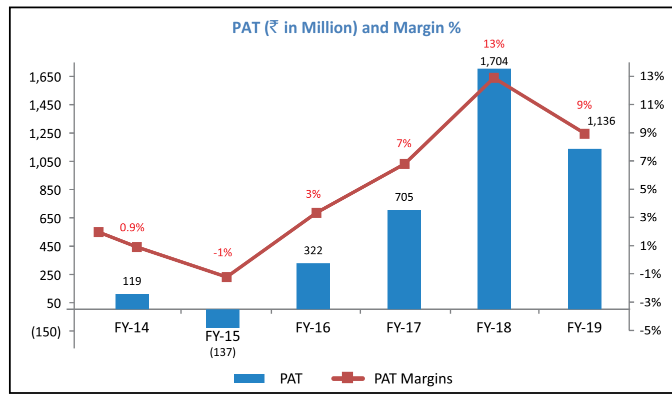


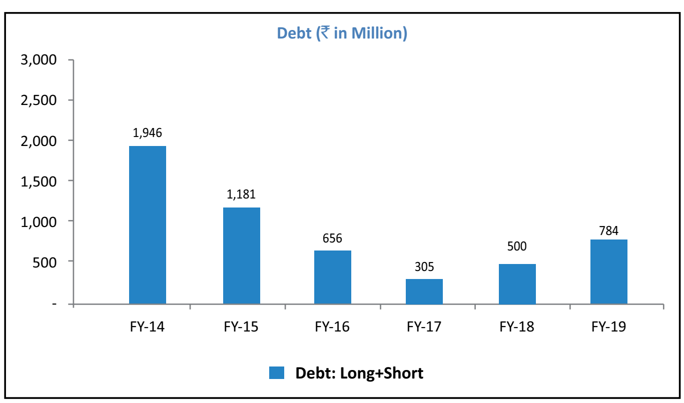
PERFORMANCE INDICATORS - CONSOLIDATED

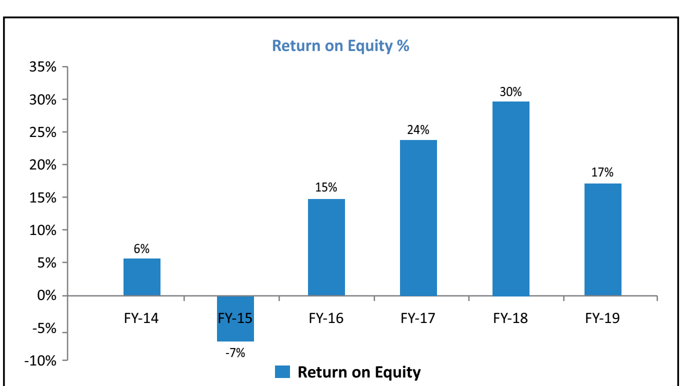


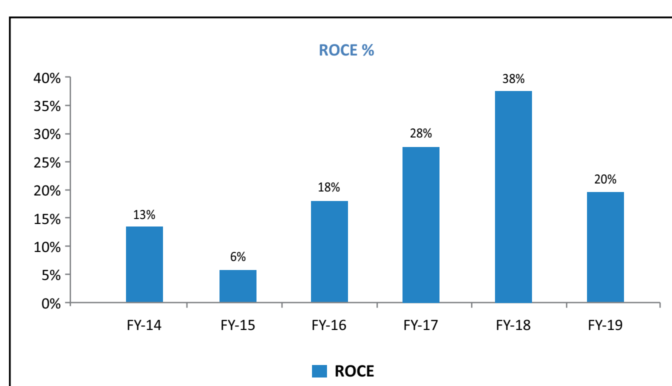












Revamp Project: A new Fired Heater - Utility Section

PA Plant - Ranipet, during revamp

New Food Ingredients - Fine Chemicals Unit

PA Plant Revamp : Oxidation Section - Ranipet

A section of the Fine Chemicals Plant

Overview of our subsidiary in Malaysia - The Maleic anhydride Plant

Maleic - Distillation Unit after Expansion : Malaysia

Butane Processing and Butamer Plant: Malaysia

New Maleic derivatives Plant Malaysia

Message from Chairman

From the Chairman to:

the Members of Thirumalai Chemicals Limited

Dear Members,

I am happy to share with you your Company's Annual Report for FY-19.

FY-19 was not as good as the previous year. We started with a strong first half, with excellent performance all through. From the 3rd Quarter onwards there was a reduction in demand and our margins. The sharp fall in crude and commodity prices across the board led to a number of issues. As a result of price volatility, our customers reduced buying for fear of trading loss, and this affected our revenues. Thus for H2 the results were poor as you would have noticed.

We have taken up this opportunity to initiate a cost reduction exercise across the Company. This will be an ongoing effort and we hope to see results from next year.

In Q1 of the current year FY-20 volumes and margins have improved. There has been large imports of PA our main commodity product from Far East - some of this is off-spec product and hazardous.

Unlike Europe, US and many other developed countries, India has poor protection against off-spec imports. The government has been made aware of this and are taking steps to protect the end consumer.

About 18 months ago, we started a major revamp of our plants to introduce newer technologies which will reduce cost, improve safety and performance. Your Company had to carry out this when most sections of the Plant were operational and hence a difficult exercise.

This major project has been completed and we will see contributions from about September. This was done entirely from internal funds.

The expansion project at Dahej received approval after a long delay; we were able to start construction only recently. We expect to complete by the end of this year and see initial results the next year. This plant located very close to our customers would reduce logistics and input costs; and will be an important hub for our future growth.

Our subsidiary in Malaysia had experience similar to ours in H2 in terms of a slack. Again their business started recovering in Q1.

They have recently completed their Maleic Anhydride (MAn) derivatives project and have just started commercial production. Their cash flow continues to be good. The management of the subsidiary went through a complete overhaul and they are working hard to deliver good performance; they are also planning on a project for further capacity growth in their core product MAn.

The ongoing trade war between the US and China is creating significant volatality. We are very conscious of the risks and gearing up to meet them.

The proposed Fine Chemicals / Food Ingredients project of your company in the US is in the final stages of approval. We hope to start engineering in the next few months.

We have to be ready and we are ready to handle the increased uncertainty and risks that all businesses are facing.

We can look forward to the future with confidence: Your Company's Balance Sheet is robust. Our Company has an excellent reputation; we are technically and commercially competent; your Company's employees at all levels are united in the effort to excel and have the guidance of an outstanding Board.

I request you to go through the report and send your queries by email to chairman.1920@thirumalaichemicals.com.

I invite all members to join us at your company's AGM on the 25th July, where we can receive your guidance and suggestions.

With Regards,

R. Parthasarathy,
Chairman of the Board of Directors
Thirumalai Chemicals Limited

DIRECTORS' REPORT

With Management Discussion & Analysis

To,

The Members,

Thirumalai Chemicals Limited

Your Directors are pleased to present to you the Forty Sixth Annual Report & the Audited Statement of Accounts of the Company for the year ended March 31, 2019. The Management Discussion and Analysis has also been incorporated into this report.

Standalone Financial Results - Summary

(₹ In Million)

Particulars	Year Ended 31 Mar 2019	Year Ended 31 Mar 2018
Revenue from Operations	9,943	10,372
Other Income	142	100
Total Revenue	**10,085**	**10,472**
Gross Profit / (Loss) before Interest, Finance Charges and Depreciation **(EBITDA)**	1,690	2,390
Interest and Finance Charges	(107)	(109)
Profit / (Loss) before Depreciation and Tax	**1,583**	**2,281**
Depreciation	(152)	(104)
Profit / (Loss) before Tax (PBT)	**1,431**	**2,177**
Provision for Tax	(445)	(737)
Profit / (Loss) after Tax	**986**	**1,440**
Add : Provision for Deferred Tax	(25)	-
Profit / (Loss) after Tax (PAT)	**961**	**1,440**

- The Net Revenue including Export Earning (FOB) during the year was ₹ **1,000 Million** (Previous Year: ₹ 1,430 Million).

Consolidated Financial Results

(₹ In Million)

Particulars	Year Ended 31 Mar 2019	Year Ended 31 Mar 2018
Revenue from Operations	12,610	13,376
Other Income	116	68
Total Revenue	**12,726**	**13,444**
Gross Profit / (Loss) before Interest, Finance Charges and Depreciation **(EBITDA)**	2,175	2,963
Interest and Finance Charges	(122)	(128)
Profit / (Loss) before Depreciation and Tax	**2,053**	**2,835**
Depreciation	(364)	(305)
Profit / (Loss) before Tax (PBT)	**1,689**	**2,530**
Provision for Tax	(483)	(740)
Profit / (Loss) after Tax	1,206	**1,790**
Provision for Deferred Tax	(70)	(86)
Profit / (Loss) after Tax (PAT)	**1,136**	**1,704**

Dividend

Based on the Company's performance, the Directors are pleased to recommend for approval of the members, a dividend of ₹ 2/- per share of Re.1 face value, for the year ended March 31, 2019.

In the previous year ended March 31, 2018, a dividend of ₹ 20/- per share was paid on each share of ₹ 10 face value, which was thereafter split into 10 shares of Re.1 face value each.

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 manufacturing subsidiary viz. Optimistic Organic Sdn. Bhd., Malaysia (OOSB) in Malaysia; and another Lapiz Europe Ltd in the United Kingdom.

Lapiz Europe Limited is a subsidiary of your company that handles REACH registration and regulatory compliance for the marketing of the groups products in the EU.

TCL Global BV is a Netherlands based 100% subsidiary of your company which has been established to facilitate the business, marketing, regulatory and investment requirements of your company overseas.

Business Performance

Your company has 2 principal product groups in its business portfolio; these are all presently manufactured in Ranipet, and from next year we will begin manufacturing in Gujarat, starting with our major commodity product Phthalic Anhydride.

The year started out well, but in H2 we faced market challenges.

In our commodities businesses the trading environment saw a sharp downturn in Q3 and Q4 of the year in important sectors affecting markets both of your company and those of the subsidiary in Malaysia.

While this had a number of causes, these were aggravated by the volatility in crude oil and related Petrochemical prices, the slowdown in the Far East, and the US trade restrictions that affected the Chinese and Far East markets- these caused a sharp drop in product prices.

Demand for many related commodities fell due to market apprehensions over these volatile prices, and volumes and margins shrank in India and in key export markets. In spite of excellent performance in the first two Quarters, the overall performance of your company for the year was below expectations.

A reversal in these factors is already being seen in the first Quarter of the current year. Prices have firmed up and the offtake has steadily increased since the beginning of the first Quarter.

We remain concerned over the negative impact on Indian Industry, of declining Chinese growth and the US-China trade dispute - these create large idle capacities in the Far East that depend on the Chinese market : *affected producers naturally seek other markets*: *which better than India?*

To compound this, in thousands of industrial products the FTA's concluded 12-15 years ago have steadily led to zero import duties for products from major economies like S.Korea and the Asean.

This is a major reason why Investment in India in the chemical sector (and in many others) has been so anaemic for a decade – *it became far more profitable to import for India, than to make in India.*

This has led to poor employment growth and worsening trade balance.

We are working closely with the Government to ensure fair trade in this uncertain environment. I am happy to say that the Government's approach is very positive.

The Indian market is growing well and we are confident that policy changes under discussion will help encourage greater investment in manufacturing in India. As you are aware, in the last 2 years we have taken steps to invest in modernization of our manufacturing units and expand.

The GST has settled down and the impact has been a positive for Medium and Large scale companies. The recent and proposed changes will remove the difficulties faced by small and tiny units.

The large defaults and major scams that have blown open in these two years is a scandal that exposes the corruption and cronyism that had become endemic. There are bound to be more failures among stressed companies and groups.

We have to hope that the efforts of the regulators and this Government to expose these and bring these promoters and bankers to book, will not stop, but help create a more robust framework in our financial and governance systems.

It has made borrowing difficult and expensive even for genuine investments and companies. This is a matter for concern and need to be addressed to avoid throttling them.

The recent US announcement withdrawing preferential treatment for Indian goods will not affect most of our products.

Our Fine Chemicals products were affected by the integration difficulties of the plant improvements that took longer than expected and led to lower volumes. These have settled down only by the end of Q1-FY 2019-20.

The Market remains robust and Indian demand is growing well.

Your company has continued to work on major initiatives in growth, operating efficiencies, costs, marketing, HR and project management.

Phthalic Anhydride Business:

The division posted robust performance during Q1 and Q2 and was able to minimize the effects of downturn Q3 and Q4. During these two latter Quarters, demand for the product in Asia and India slowed as a result of price uncertainties; margins between the raw material & final product shrunk sharply in tandem. This resulted in poor performance during these two Quarters.

The Company had to contend with imports, including off-spec products into the Country. In order to manage the situation, we have initiated many steps to mitigate this risk of dumping by distressed foreign suppliers. We are fully confident of handling these temporary issues effectively, and grow.

However, on the demand side, Asia with India in particular, continues to be the fastest growing region in the world. Our company is well placed to take advantage of this factor because of its established reputation across markets for over four decades and our technical and commercial competence in these segments.

Besides sales, effective management of inventory and receivables is critical to our health, especially in this volatile environment. The good systems and hard work on these in the last few years, helped us maintain positive cash flows without strain to fund our operations and investments in growth.

The company's investment at Dahej in Gujarat received environment clearance and consent to establish during the year, but much later than was expected. Construction has commenced in Q3 and is in full swing. The plant is expected to be ready for operations by Q4 of 2019-20.

The modernization project envisaged at Ranipet is in its final stage of completion and is under commissioning currently in Q1 of 2019-20.

These two projects - the modernization of the technology / revamp in the existing plants, and the creation of New capacity in western India - will help the company improve efficiencies in Cost, supply-chain, Process operations and in Environmental & Safety performance. These will also provide a continuous and reliable supply of the product and address the growing market. The project in Dahej located close to customers and suppliers, will particularly help the company improve services to its customers with quick response times.

Food Ingredients and Fine Chemicals:

Food Ingredients

The demand for our products grew well and especially so in the domestic market; we were able to sell all our volumes promptly in India, the EU and start market seeding in North America.

These are naturally produced and present in fruits and in all mammals & humans and are critical for metabolism. These make them among the safest of ingredients for foods, juices & beverages.

The company has been in these products since 1992, when we developed these in our R&D and commercialized them.

Being products for human consumption, and the stringent regulatory and approval processes, access into EU earlier from 1993 and more recently into the US and to global users, customer specific product development exercises that were started in recent years have enabled us to meet the needs of prestigious new customers in the market globally. This has helped us acquire prime new customers in the US and EU during the year.

We continue to be the preferred & exclusive supplier to most customers in the domestic market; and a key supplier to many MNC customers in the European market. We have built up an excellent reputation in the markets we serve and the competence to deliver to the requirements of demanding customers across geographies.

The domestic market is still very fragmented and the company has set up an effective distribution network to serve the many small and tiny users across the country for different applications.

The new technology developed in-house for these products was commercialized and stabilized during the year and continues to be operated at the modernized facility. There were some production interruptions and losses during the implementation of these changes. These are since in full operation.

Your company has taken steps to obtain Indian and global patents for the same.

With these, we have laid the foundations to grow these businesses further with the project now under planning.

The Phthalic derivatives products performed steadily.

Subsidiary – Optimistic Organic Sdn Bhd, Malaysia :

There were sharp fluctuations in feedstock and product prices in Asia, which led to below targeted volumes and margins. Again this was mainly in H2 of the year but impacted the whole year's performance. Despite this, the company was able to maintain profitable performance during the year.

Our subsidiary also initiated restructuring of Maleic Anhydride sales across various markets in South East Asia, India, Middle East and Europe for maximizing its margins.

The MA derivatives project was recently commissioned. Trial production to stabilize the operations is underway. These are used as additives in water-based coatings, adhesives, emulsions, etc. Our product quality meets international standards and is under trials at various customers for acceptance and placement of orders. This project was fully funded by the subsidiary's internal cash flows – a result of their working capital management initiatives.

During H2, the Board of the subsidiary revamped it's management team; a new Managing Director Mr. Ambrish Maheswari took charge- he has over 35 years of experience in Technology, Projects, and Business Management at senior levels in a global environment. He joined us from the Aditya Birla group, where he was the Managing Director of one of the group's companies in Thailand.

Besides him, they have inducted a new Manufacturing head & executive team, and have also set up a Technology & Project group.

These will help the company improve operations; and to implement a further expansion in capacity in Maleic Anhydride that they are now planning.

USD in millions

STANDALONE FINANCIAL RESULTS OF THE SUBSIDIARY (OOSB)	Year Ended 31 Mar 2019	Year Ended 31 Mar 2018
Revenue from Operations	42.40	51.65
Other Income	0.55	0.03
Total Revenue	**42.95**	**51.68**
Gross Profit / (Loss) before Interest, Finance Charges and Depreciation **(EBITDA)**	6.94	9.39
Interest and Finance Charges	0.08	0.60
Profit / (Loss) before Depreciation and Tax	**6.86**	**8.79**
Depreciation	3.13	3.23
Profit / (Loss) before Tax (PBT)	**3.73**	**5.56**
Provision for Tax	0.42	-
Profit / (Loss) after Tax	**3.31**	**5.56**
Add : Provision for Deferred Tax	0.57	(1.36)
Profit / (Loss) after Tax (PAT)	**2.74**	**4.20**

GROWTH AND NEW PROJECTS :

While there are many challenges current and new, our abilities to manage these we have a strong base and a good reputation with our suppliers, customers and stakeholders, built over many decades.

The Management and Operating teams are highly motivated and capable. We are further strengthening our teams and our systems to manage the planned growth and challenges ahead.

The markets for our products are strong, and we are creating the needed diversity in products, customers and geographies to address vagaries.

Two years ago we started on investments in modernization in our older plants in India & Malaysia, and growth in product range and capacity in Malaysia and now in western India.

We are confident of prospects, despite the increased volatility worldwide.

Phthalic Anhydride:

The company will cater to the growing demand of the product from its modernized facility in Ranipet in Tamil Nadu and from its new facility in Dahej, Gujarat now under implementation.

These will improve efficiencies and cost competitiveness, besides serve our major customers in western India more effectively.

Efforts are on with the Government of India by the chemical industry to address the injury caused to domestic production by unfavourable FTAs and Trade Policies and the surging imports of various products.

Subsidiary – Optimistic Organic Sdn Bhd., Malaysia:

The plants at OOSB need to be expanded & modernized to deliver higher production and to deliver the cost efficiencies of modern plants, with current global standards of safety and reliability.

The initial design work is in progress. They propose to fund this project over the next two years largely with their internal cash flows, supplemented by borrowing. It will add over 50% to their capacity, and bring down costs, both due to technology and scale.

Additional production of Maleic Anhydride will be sold to the customers in Europe, Middle East, India, South East Asia and Japan catering to the growing demand in these market segments.

Food and Feed Ingredients

Production from the revamped facility in India, will enable the company to address the growing requirements both in the domestic and international markets in the ensuing year FY-20.

It will also help in ensuring market seeding and in-depth development for the product in the US and Europe ahead of the project being evaluated.

This project under final stages of evaluation, is designed to produce these food ingredients & fine chems and their intermediates, in the US; this is proposed in an integrated unit, based on the large volumes of low-cost raw material from shale gas, available locally.

Your company is in the final stages of studying the project viability. Negotiations for the site, raw materials, state incentives and other aspects are nearing a final stage and your company expects to be ready to start investing in the project within the next few months. This investment will substantially increase the footprint of your company as a player in these products globally, and prepare the basis for future growth in bulk chemical products and these and many other fine chemicals, based out of the best feedstock location worldwide.

Funding – for Operations and Investments

Our Balance Sheets on a stand-alone & consolidated basis are 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. We remain conservative in borrowings and leverage.

Risk Management:

Two years ago, we improved the rigour of risk management approach - with an external specialist, supervised by a subcommittee which includes experienced Directors and members from the management team.

A large number of major and minor prospective risks have been identified both internal and external to the company. These include strategic, supply chain, business, financial, safety, fraud, efficiency, competition, succession and a host of other aspects.

These are evaluated based on priorities, and a structured programme of mitigation and review being put in place. This is an ongoing exercise.

Our People

We are fortunate to have a deeply motivated team of managers and staff, across the company.

As we informed you last year, your Company started a revamp of the management structure and Teams in 2012.

Over these years, this has led to improved competence in Manufacturing & Technology, in supply chain, Business & Marketing, and in Finance, Safety, Sustainability and Compliance.

To manage future growth, a programme of staff & leadership development and succession planning was initiated two years ago, aligned with ongoing performance improvement programmes. This has started showing initial results.

On your behalf and on behalf of the Board, we thank all our employees for their hard work and outstanding commitment to your Company.

Our Associates

We have a close relationship with the many associates in our business- our Customers, Bankers, Regulatory Agencies, Suppliers, Distributors, and the many service providers and many specialist consultants. We treat them as partners in our business and developed into rewarding and close relationships with them.

BOARD AND MANAGEMENT

The Board of your Company consists of

- The Chairman & Managing Director - Mr. R. Parthasarathy
- Two Executive Directors: -
  - ➢ Mr. P.M.C. Nair: Director (Manufacturing & Projects)
  - ➢ Ms. Ramya Bharathram: Director-Strategic Initiatives and Chief Financial Officer
- Six Independent Non-Executive Directors:
  - ➢ Mr. R. Ravi Shankar
  - ➢ Mr. N. Subramanian
  - ➢ Mr. Raj Kataria
  - ➢ Mr. Dhruv Moondhra
  - ➢ Mr. Arun Ramanathan
- A Non-Executive Director:
  - ➢ Mr. R. Sampath – Chairman - Ultramarine and Pigments Ltd.
- An Additional Director:
  - ➢ Mr. Rajeev M Pandia

They are supported closely by

➢ Mr. C.G. Sethuram - Chief Executive Officer
➢ Mr. T. Rajagopalan - Company Secretary

And the Business and Functional Heads

➢ Mr. S.V.S Rama Raju - President
➢ Mr.S. Venkatraghavan - President
➢ Mr. Sanjeev Gokhale - Vice President-International Marketing
➢ Mr B. Krishnamurthy - Sr. General Manager-Finance

During the year, your Board has inducted (at its meeting held on 24th July, 2018) Mr. Rajeev M Pandia as an Additional Director. As his term of appointment expires on the conclusion of the ensuing Annual General Meeting, the Board recommends his appointment as an Independent Director of the Company under Sec.149 of the Companies Act, 2013.

The term of appointment of the Chairman and Managing Director, Mr. R. Parthasarathy will be expiring as on July 31, 2019, and the Board recommends his re-appointment as the Chairman and Managing Director of the Company for a further period of three years from August 01, 2019.

The term of four Independent Directors of the Company ends on August 5, 2019. Hence it is proposed to reappoint them at the ensuing Annual General Meeting.

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

Their interaction with the management team is frequent and intense, at the Board and Committees, through reviews, suggestions, criticisms & advice to the management team over the last 7 years.

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

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

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

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

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

SOCIAL RESPONSIBILITY

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

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

We support them financially and through management reviews and in their infrastructure planning & development process.

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

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

With our company's support, the Thirumalai Mission Hospital has set up a separate center for Non-Communicable Diseases such as Cardiovascular, Diabetes, Thyroid disorders, Endocrinology, Obesity, Osteoporosis, etc.

This addresses a critical need of the community.

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

Their performance is reviewed periodically by the Company's 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 Deposits during the Financial Year.

Contribution to the Exchequer:

The amounts paid to the Central and State Exchequer by way of GST, Customs duties (incl. paid to supplier), Income Tax and other taxes, is about ₹ **1,828** Million on Gross Sales of about ₹ **9,943** Million (Previous Year ₹ **2,346** Million on Gross Sales of about ₹ **10,372** Million).

Contribution to the Exchequer is about **18.38 %** of your Company's Sales.

Exports:

Calculated on FOB basis, Exports amounted to ₹ **1,000** Million (previous year ₹ **1,430** 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 (Ind As 24) 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 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/CFO
4	Mr. C.G.Sethuram	Chief Executive Officer
5	Mr. P.M.C. Nair	Executive Director
6	@Mr. P. Krishnamooorthy	Chief Financial Officer

@ till 31.05.2018

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)

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

The Company's total spending on CSR is **1.53%** of the average profit after taxes in the previous three financial years towards Health and Sanitation Programmes more details given in the Annexure - A.

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

The Report on Corporate governance is annexed herewith.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and under obligations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carries out the annual performance evaluation of its own performance, of the Directors individually as well as the evaluation of working of its various Committees. A structured questionnaire is prepared after taking into consideration the inputs received from 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 the Company to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

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

Statutory Auditors

M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. AAC-2085) were appointed as the statutory auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on July 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 internal controls within the Company. The Company's System Auditors M/s. Aneja Associates contributed significantly in improving our Business processes and our compliance & governance systems and practices.

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 2018-19. The Cost Audit Report was filed with MCA, Government of India, by the Company on August 16, 2018, well before September 30, 2018, the due date of filing for the Financial Year 2017-18.

Secretarial Audit

The Board appointed M/s. R.M. Mimani & Associates LLP, Company Secretaries, to conduct Secretarial Audit for the Financial Year 2018-19. The Secretarial Audit Report for the Financial Year ended March 31, 2019 is attached to this Report. The Secretarial Audit Report does not contain any qualification, or reservations or adverse remark.

Web link of Annual Return

Pursuant to provisions of section 92(3) and Section 134 (3) (a) of the Companies Act, 2013 a copy of Annual Return of the Company for the year ended March 31, 2019 will be placed on the website of the company at http://www. thirumalaichemicals.com

Personnel

In terms of the provisions of section 197(12) of the 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) **95.72: 1**
2. Mrs. Ramya Bharathram (Executive Director and CFO*) **41.08 : 1**
3. Mr. P. Mohana Chandran Nair (Executive Director) **16.74 : 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) **: (13.27)%**

Mr. T. Rajagopalan – (Company Secretary) : **(1.4)%**

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

c) The percentage increase in the median remuneration of employees in the Financial Year: **0.37 %**

d) The number of permanent employees on the rolls of Company: **487**

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

The Company's PAT has declined from **1,440 Million** to **961 Million**, a decrease of **33%** against which the average decrease in remuneration is **19%**;

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

Name	Designation	Remuneration IN ₹*	% Increase In Remuneration	PAT ₹ in Mn	% decrease in PAT
Mr.R. Parthasarathy	Managing Director	32,703,257	(13.27) %	964	(33)%
@Mr.P. Krishnamoorthy	Chief Financial Officer	2,108,759	-		
#Mrs. Ramya Bharathram	Whole Time Director and Chief Financial Officer	14,034,800	(2.06)%		
Mr. T.Rajagopalan	Company Secretary	3,129,200	(1.40) %		

* It consists of Salary/Allowance & Benefits.

@ CFO till 31.05.2018

Appointed as a CFO on 24.07.2018

The remuneration of the Managing Director Mr. R. Parthasarathy includes the commission of ₹ 15 Mn, which works out to approximately 1.55 % to the net profit for the Financial Year ended March 31, 2019.

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 / Particulars #	Issued Capital (No. of Shares)	Closing Market Price per share ₹	EPS in ₹	PE Ratio	Market Capitalisation (₹ in Cr)
31.03.2018	102388120	170.26	14.06	12.11	1743.26
31.03.2019	102388120	88.30	9.03	9.77	904.09
Increase / (Decrease)	NA	(81.96)	(5.03)	(2.34)	(839.17)
% of Increase/ (Decrease)	NA	(48.14)	(35.78)	(19.32)	(48.14)
Issue Price of the share at the last Pubic Offer (IPO)		1			
Increase in market price as on 31.03.2019 as compared to Issue Price of IPO		87.30			
Increase in %		8730			

figures recast to reflect corresponding to split of face value from 17th August 2018 (from ₹ 10 each to Re.1 each).

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 **7.99%** for Employees other than Managerial Personnel & **1.89 %** 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. Ravi Shankar**
6th May 2019	Managing Director	Director
	(DIN:00092172)	(DIN:01224361)

ANNEXURE TO DIRECTORS' REPORT

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs 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	69.17	415	27	142	-	--	(-13)	(-13)	-
2.	OOSB	USD	69.17	879	821	1,440	-	2,933	258	190	-
3.	Lapiz Europe Ltd	GBP	90.00	0.01	2.90	0.96	-	2.26	1.89	1.39	-

Annexure-A

Reporting of Corporate Social Responsibility (CSR)

1. Period for which CSR is being reported: From 01/04/2018 to 31/03/2019
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)

6. Average net profit of the Company for the last three years: ₹ 1,356,285,422/-
7. Prescribed CSR Expenditure (min. two percent of the amount as in item 6 above): ₹ 27,125,708/-
8. Details of CSR spent during the Financial Year:- 2018-19
   a) Total amount spent for the Financial Year: ₹ 20,800,000/-
   b) Amount unspent, if any: ₹ 6,325,708/-
   c) Manner in which the amount spent during the Financial Year is detailed below: -

S. No	CSR Project or Activity Identified	Sector in which the Project is covered	Project or Program 1) Local Area or Other 2) Specify the State and district where project or program was undertaken	Amount of Outlay (Budget) Project or Program-wise (₹ 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 2018-2019 (₹ in lakhs)	Amount Spent Direct or through Implementing Agency
1	Health	Primary and Secondary Healthcare	Vellore District, Tamil Nadu	200	200	602	Thirumalai Charity Trust
2	Education	Primary and Secondary Schools	Tamil Nadu	8	8	8	Direct

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/-
R. Sampath
Director (DIN:00092144)

Sd/-
N. Subramanian
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, 2019 and forming part of the Directors' Report.

SL. 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	63 Yr	12th August 2013	40 years	Contractual	General Management	24.29	ED (emerging business), Archean Group
2.	Mr.S.V.S. Rama Raju	President	B.Tech., Chem Eng.	59 Yr	11th August 2014	36 years	Contractual	General Management	11.56	President – Operations Nagarjuna Agrichem Ltd
3.	Mr. S. Venkatraghavan	President	M.Sc, M.Tech , MBA,	53 Yr	16th July 2014	29 years	Contractual	General Management	7.50	Executive Vice President – Sales & Marketing Cabot Sanmar Ltd.
4	Mr. Sanjeev Gokhale	Vice President-International Marketinhg	B.Tech and MMS	59 Yr	2nd September 2016	31 years	Contractual	General Management	7.13	HeadChemicals of Tata Africa Holding (Tanzania) Ltd
5	Mrs.K.Jaishree	Vice President (Finance)	CMA, PGDM	45 Yr	28th May 2018	15 years	Contractual	General Management	4.80	CFO & Head-Commercial –Sresta Natural Bio Products Pvt. Ltd
6	Mr.Vijay Sheth	Vice President (Projects)	MBA, IIT, Mumbai	68 Yr	28th February 2018	40 years	Contractual	General Management	8.01	Sr.Vice President Reliance Industries Ltd

$ No shares are held by above employees other than Mr.Vijay Sheth who holds 1000 equity shares. They 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 2018 - 2019	Year Ending 2017 - 2018
1	**Electricity**			
	a) Purchased Units	KWHR	3,782,290	3,911,450
	Total Amount Paid	₹	32,729,247	33,996,642
	Rate per Unit	₹	8.65	8.69
	b) Own Generation	KWHR	3,151,955	4,514,742
	Unit / Ltr of HSD	KWHR/LTR	3.89	2.64
	Cost per Unit	RS	25.73	22.20
2	Coal : Not consumed in the process	KWHR	Nil	Nil
3	**Furnace Oil**			
	Total Quantity	KL	9,046	6,435
	Total Amount	RS	313,881,850	163,182,593
	Average Rate	RS	36,084	25,359
4	**Other Internal Generations**	KWHR	24,993,523	25,433,624
5	Consumption Per Tonne of Production			
	Electricity	KWHR	32.65	30.23
	Furnace Oil	Ltr	78.08	49.73
	Others (Diesel)	Ltr	10.33	13.21

II. Technology Absorption, Adaptation and Innovation.

Research and Development

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

	Particulars	2018-19	2017-18
a)	Capital	**₹ 28.6 Million**	₹ 22.00 Million
b)	Recurring	**₹ 33.6 Million**	₹ 31.00 Million
c)	Total	**₹ 62.2 Million**	₹ 53.00 Million
	Total R&D expenditure as a % of sales	**0.65%**	0.51 %

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

Particulars	2018-19	2017-18
Export earnings	**₹ 1,000 Million**	₹ 1,430 Million
Outgo	**₹ 843 Million**	₹ 553 Million

For and on behalf of the Board of Directors

Mumbai,
6th May 2019

R. Parthasarathy
Managing Director
(DIN :00092172)

R. Ravi Shankar
Director
(DIN:01224361)

CORPORATE GOVERNANCE REPORT 2018-19

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

b) Matrix setting out skills Board of Directors:

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

Name of Board Members	Years of Experience	Core skills / expertise identified by the Board as requirement for the Company																		
		Technical skills - Chemical Industry	Business operations and Mgmt.	Quality & Performance Mgmt.	Reach & Development	Project Mgmt.	Risk Management	Strategic Planning	Board & Governance	Global business	Sales and marketing	Finance, Accounting, Audit	Corporate Laws and Compliances	Mergers & acquisitions	Safety Mgmt	Stakeholder Engagement	Continuous learning	Government & Gov Relations	Ethics	Human Resources Mgmt & Labour Relations
		Skills / expertise / competencies possessed by the Directors of the Company																		
[1]Mr. R. PARTHASARATHY	40	√	√	√	√	√	√	√	√	√					√		√	√	√	
Mr. R. SAMPATH	50	√	√	√	√	√	√	√	√	√					√		√	√	√	
Mr. R. RAVI SHANKAR	40		√				√	√	√	√	√	√	√	√		√	√		√	
Mr. N. SUBRAMANIAN	40	√	√	√	√	√	√	√	√	√							√		√	
Mr. RAJ KATARIA	20		√					√	√	√		√	√	√		√	√		√	√
Mr. DHRUV MOONDHRA	10		√			√	√	√	√	√	√						√		√	
Mr. ARUN RAMANATHAN	40		√			√	√	√	√	√	√	√	√			√	√	√	√	√
Mrs. RAMYA BHARATHRAM	20		√			√	√	√	√	√	√	√	√	√			√		√	√
Mr. P.M.C. NAIR	35	√	√	√	√	√	√	√	√	√	√				√		√		√	
[2]Mr. Rajeev M PANDIA	40	√	√	√	√	√	√	√	√	√	√				√		√	√	√	

[1] Chairman & Managing Director

[2] Inducted as Additional Director on August 01, 2018

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

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

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

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

e) Board Meetings:

The Board meets regularly at quarterly intervals and holds additional meetings as and when appropriate and needed. Five meetings of the Board of Directors were held during FY 2018–19 on 03rd May 2018, 24th July 2018, 29th October 2018, 07th January 2019 and 23rd January 2019. 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.

f) Directors Attendance Record and Directorships held:

The details of attendance of each Director at the five Board Meetings held during the Financial Year 2018-2019, at the last AGM and other particulars of Directorships are given below:-

<table>
<tr><th rowspan="2">Name of the Director</th><th colspan="2">Attendance at</th><th rowspan="2">No. of Directorships in Other Companies</th><th rowspan="2">Name of the other Companies in which Directorship is held</th><th rowspan="2">Category</th><th colspan="2">Board Sub-Committees (Audit Committee and Stakeholders Relationship Committee)</th></tr>
<tr><th>BODM</th><th>Last AGM</th><th>Membership</th><th>Chairmanship</th></tr>
<tr><td rowspan="5">Mr. R. Parthasarathy[1]</td><td rowspan="5">5</td><td rowspan="5">Yes</td><td rowspan="5">2</td><td colspan="2">Listed:</td><td rowspan="5">-</td><td rowspan="5">-</td></tr>
<tr><td>-</td><td>-</td></tr>
<tr><td colspan="2">Others:</td></tr>
<tr><td>1. Jasmine Limited</td><td>Non-Executive</td></tr>
<tr><td>2. N. R. Swamy Investments Private Limited</td><td>Executive</td></tr>
<tr><td rowspan="4">Mr. N. Subramanian</td><td rowspan="4">5</td><td rowspan="4">Yes</td><td rowspan="4">1</td><td colspan="2">Listed:</td><td rowspan="4">1</td><td rowspan="4">-</td></tr>
<tr><td>-</td><td>-</td></tr>
<tr><td colspan="2">Others:</td></tr>
<tr><td>1. Endeka Ceramics India Private Limited</td><td>Non-Executive</td></tr>
<tr><td rowspan="5">Mr. Raj Kataria</td><td rowspan="5">4</td><td rowspan="5">Yes</td><td rowspan="5">3</td><td colspan="2">Listed:</td><td rowspan="5">2</td><td rowspan="5">-</td></tr>
<tr><td>1. KEMP and company limited</td><td>Independent</td></tr>
<tr><td colspan="2">Others:</td></tr>
<tr><td>1. Mumtaz Hotels Limited</td><td>Independent</td></tr>
<tr><td>2. Arpwood Capital Private Limited</td><td>Executive</td></tr>
</table>

Name of the Director	Attendance at		No. of Directorships in Other Companies	Name of the other Companies in which Directorship is held	Category	Board Sub-Committees (Audit Committee and Stakeholders Relationship Committee)	
	BODM	Last AGM				Membership	Chairmanship
Mr. R. Ravi Shankar	5	Yes	2	**Listed:**		1	1
				-	-		
				Others:			
				1. Acsys Investments Private Limited	Non – Executive		
				2. Connect2expert Consultants Private Limited	Executive		
Mr. Dhruv Moondhra	4	Yes	4	**Listed:**		-	-
				1. TTK Prestige Limited	Independent		
				Others:			
				1. Ice Steel 1 Private Limited	Executive		
				2. Steel Mart India Private Limited	Executive		
				3. Steel Endeavours Private Limited	Executive		
Mr. R. Sampath	5	Yes	1	**Listed:**		2	-
				1. Ultramarine & Pigments Limited	Non-Executive		
				Others:			
				-	-		
Mrs.Ramya Bharathram	5	Yes	2	**Listed:**		-	-
				-	-		
				Others:			
				1. Jasmine Limited	Non-Executive		
				2. N. R. Swamy Investments Private Limited	Non-Executive		
Mr. P. Mohana Chandran Nair	5	Yes	NIL	NIL	NIL	-	-
Mr.Arun Ramanathan	5	Yes	2	**Listed:**		2	1
				1. Equitas Holdings Limited	Independent		
				Others:			
				1. Equitas Small Finance Bank Limited	Independent		
Mr. Rajeev M Pandia[2]	2	NA	6	**Listed:**		3	2
				1. GRP Limited	Independent		
				2. The Supreme Industries Limited	Independent		
				3. Ultramarine & Pigments Limited	Non – Executive		
				4. Excel Industries Limited	Independent		
				5. Supreme Petrochem Limited	Non – Executive		
				Others:			
				1. Deepak Phenolics Limited	Non – Executive		

[1] Chairman & Managing Director

[2] Inducted as Additional Director on August 01, 2018

g) 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, 2019 are:

Name	Position	Salary ₹	Commission ₹	Contribution to P.F. and other Fund ₹	Perquisites & others ₹	TOTAL
Mr. R. Parthasarathy	Managing Director	16,200,000	15,000,000	1,446,000	57,257	32,703,257
Mrs. Ramya Bharathram	Whole-time Director	10,080,000	3,200,000	754,800	-	14,034,800
Mr. P. Mohana Chandran Nair	Whole-time Director	5,089,830	-	629,100	-	5,718,930

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 2018-19)

Name of the Director	Sitting fees paid (₹)
Mr. N. Subramanian	780,000
Mr. Raj Kataria	560,000
Mr. R. Ravi Shankar	740,000
Mr. Dhruv Moondhra	420,000
Mr. Arun Ramanathan	580,000
Mr. R. Sampath	600,000
Mr. Rajeev M Pandia[1]	240,000

[1] Inducted as Additional Director on August 01, 2018

h) Details of the Shares held by Non-Executive Directors as on March 31, 2019

Name of the Director	No. of Shares held*
Mr. R. Sampath	4,947,300
Mr. Raj Kataria	500
Mr. N. Subramanian	600
Mr. Dhruv Moondhra	1,000
Mr. Rajeev M Pandia[1]	2,400

* Incl. Trust holdings

[1] Inducted as Additional Director on August 01, 2018

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	4
2.	Mr. N. Subramanian	Independent Director	4
3.	Mr. Raj Kataria	Independent Director	4
4.	Mr.Arun Ramanathan	Independent Director	4
5.	Mr. R. Sampath	Director	2

Four Meetings of the Audit Committee of the Board of Directors were held during the year 2018-19 on 2nd May 2018, 24th July 2018, 29th October, 2018 and 23rd January 2019.

The Objectives of the Audit Committee are as follows:

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

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

- Reviewing the :
  - Internal Audit plan of the Company for FY-19, the Internal Audit reports prepared by the Group Audit and Risk Assurance Department of the Company ("GARA"), reviewing the Audit plans of external Auditors and their remuneration
  - Performance, constitution and terms of reference of the Audit Committee
  - Company's programs on Bank Charges / Commitment charges and helped to review the system to streamline and speed up collection of relevant Forms.
  - Plans for Improvement of ERP system
- Compliance with IND AS Programme
- Implementation of Forex Policy in the Company
- Making recommendation on the re-appointment of the external auditor as and when due

B) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee constitutes of the following members:

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

One Meeting of the Stakeholders Relationship Committee of the Board of Directors was held during the year 2018-19 on 24th July, 2018.

The Stakeholders Relationship Committee deals with the following matters:

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

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

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

During FY-18-19, 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 R&T and is carried out in compliance with the Listing Agreement which will be confirmed and ratified by the Board at each subsequent meeting.
- It may be noted that that the shareholding in dematerialized mode as on 31st March, 2019 was 97.44 %.

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	2
4.	Mr. R. Sampath	Director	2
5	Mr. Rajeev M Pandia	Independent Director (Additional Director)	2

Three meetings were conducted during 2018-19 on 20th July 2018, 26th October 2018 and 22nd January 2019

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-19, 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 2019-20.

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	1
2.	Mr. N. Subramanian	Independent Director	1
3.	Mr. R. Sampath	Director	1

One meeting was conducted during 2018-19, on 24th July, 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-19, 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, Independent Directors and appointment of the Chief Financial 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 2019-20
- 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. Raj Kataria	Independent Director	1
2.	Mr. N. Subramanian	Independent Director	1
3.	Mr. R. Sampath	Director	1

One meeting was conducted during 2018-19 on 29th October, 2018.

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-19, based on the recommendation of the CSR Committee, your Company made a donation of ₹ 208 lakhs to the 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
1.	Mr. R. Parthasarathy	Managing Director & Chairman
2.	Mr R Ravi Shankar	Independent Director
3.	Mr. Raj Kataria	Independent Director
4.	Mr. N. Subramanian	Independent Director

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

Familiarization programmes for Directors

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

Policy on Material Subsidiary

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

Policy on Related Party Transactions

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

Criteria of selection of Non-Executive Directors

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 174 of the Companies Act, 2013.

d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

   i. Qualification, expertise and experience of the Directors in their respective fields;

   ii. Personal, professional or business standing;

   iii. Diversity of the Board.

Remuneration

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

i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

ii. A Non-Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the N&R Committee;

iii. In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director. The total commission payable to the Directors shall not exceed 1% of the net profit of the Company;

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

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

Remuneration for the Managing Director / Whole-time Directors

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 2018-19. No personnel have been denied access to the Committee / Mechanism.

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

The details have been disclosed in the Director's Report forming part of the Annual Report.

Statutory Auditor's remuneration:

Disclosure of total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor as required by the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is ₹ 28 lakhs.

GENERAL BODY MEETINGS

The Forty Fifth Annual General Meeting of the Company for the Financial Year 2018-2019 will be held on July 25, 2019 at **Mysore Association Auditorium, Bhaudaji Road, Matunga-(C.Rly) Mumbai at 2.30 p.m.**

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

Financial Year	Date	Time	Location
2017-2018	24/07/2018	2.30 p.m.	Mysore Association Auditorium Bhaudaji Road, Matung –(C.Rly) Mumbai.

Special resolutions were passed for the alteration of the Memorandum and Articles of Association of the Company in order to give effect to Splitting of Shares and to modify the terms of appointment of Mrs. Ramya Bharatharam, whole-time Director.

Financial Year	Date	Time	Location
2016-2017	22/07/2017	3.00 p.m.	Mysore Association Auditorium Bhaudaji Road, Matung –(C.Rly) Mumbai.

Special resolution was passed for the re-appointment 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, Matung –(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.

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

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

DISCLOSURES:

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

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

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

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

CODE OF CONDUCT:

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

All Board members and Senior Management of the Company have affirmed compliance with their Code of Conduct for the Financial Year ended March 31, 2019. The Managing Director has also confirmed and certified the same. The certification is annexed at the end of this Report.

RISK MANAGEMENT:

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

CEO / CFO CERTIFICATION:

Appropriate certification as required under Reg. 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Mr. R.Parthasarathy, Managing Director and Mrs. Ramya Bharatharam, Chief Financial Officer have certified to the Board regarding Financial Statements for the year ended 31st March, 2019.

MEANS OF COMMUNICATION:

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

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

AFFIRMATION:

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

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

A. The Board

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

B. Shareholder Rights

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

C. Modified opinion(s) in audit report

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

D. Separate posts of Chairperson and Chief Executive Officer

Same person occupied the position of Chairperson and Managing Director during the Financial Year.

E. Reporting of Internal Auditor

The Internal Auditors directly reported to the Audit Committee.

GENERAL SHAREHOLDERS INFORMATION:

1)	Date, time and venue of 46th AGM	:	25th July 2019, 2.30 p.m. at Mysore Association Auditorium, Bhaudaji Road, Matunga-(C.Rly) Mumbai
2)	Date of Book Closure	:	19th July, 2019 to 25th July, 2019 (both days inclusive)
3)	Dividend payment date,	:	on or before August 16, 2019 if declared at the AGM
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 338A01024.
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 transfers were registered promptly within 15 days from the date of receipt of completed and validly executed documents SEBI, effective April 01, 2019, prohibited physical transfer of shares of listed companies and transfers only through demat is allowed.

12) Financial Calendar : Annual Results - 6th May, 2019
Mailing of Annual Reports - By 25th June, 2019
Results for the Quarter ending:

June 30, 2019	-	By 14th August, 2019
September 30, 2019	-	By 15th Nov, 2019
December 31, 2019	-	By 14th Feb, 2020
March 31, 2020	-	By 31st May, 2020

13) Dematerializations of shares : As on 31/3/2019, 97.44% of the Company's Shares representing 99,765,740 shares were held in the dematerialized form.

14) Plant Location : Ranipet, Vellore District, Tamil Nadu.
Tel: 04182-244441, Fax: 04182-244308.
E-Mail: mail@thirumalaichemicals.com

15) Categories of Shareholders (as on 31.03.2019):

Category	No. of shares	% of shareholding
Promoters, Directors & their Relatives	15,620,850	15.2565
Group companies	27,001,820	26.372
Financial Institutions / Banks / Mutual Funds / Foreign Portfolio Investors	2,832,785	2.7668
Insurance companies	6,000	0.0059
NRIs	3,102,082	3.0297
Companies / Bodies corporates	6,034,039	5.8933
General Public	45,159,481	44.1062
Clearing members	681,605	0.6657
Trusts	18,400	0.018
HUFs	1,931,058	1.886
TOTAL	**102,388,120**	**100.00**

16) Distribution of Shareholding as on 31.03.2019:

No. of shares	No. of shareholders / Folios	% of shareholders	Shareholding	% of shareholding
Up to 500	34,522	70.65	5,661,324	5.53
501- 1000	6,242	12.78	5,170,839	5.05
1001-2000	3,739	7.65	5,852,165	5.72
2001-5000	2,762	5.65	9,025,284	8.81
5001-10000	883	1.81	6,540,912	6.39
Above 10000	712	1.46	70,137,596	68.5
Total	**48,860**	**100.00**	**102,388,120**	**100.00**

17) Stock market price data for the year 2018-2019:

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 33,030.87 closing 38,672.91

Indices : NIFTY 50 opening 10,151.65 closing 20,515.25

Month	BSE			NSE		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
April, 2018	2,415.95	1,712.2	321,225	2,423	1,714	2,215,097
May, 2018	2,227.1	1487	308,711	2,225	1,490	2,080,603
June, 2018	1,616	1,176.95	395,179	1,615.6	1,172.6	3,354,880
July, 2018	1,662	1,283.8	396,380	1,664	1,281.05	3,169,227
August, 2018	1,598.9	150.6	1,517,196	1,594.9	150.5	10,503,907
September, 2018	157.75	120.55	1,030,898	157.7	120	6,897,005
October, 2018	135	102.05	1,539,576	135.3	102	10,926,845
November, 2018	134	110	977,013	133.8	110.1	6,027,476
December, 2018	119.9	101.7	953,497	119.45	101	5,607,656
January, 2019	114.3	68.35	2,880,338	114.2	68.6	16,182,833
February, 2019	79.80	67.00	984,368	79.7	67.25	4,694,855
March, 2019	101.80	76.25	2,047,997	102	76.2	10,037,158

For Thirumalai Chemicals Limited

Mumbai,
06 May, 2019

R. Parthasarathy
Managing Director
(DIN: 00092182)

R. Ravi Shankar
Director
(DIN: 01224361)

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

In accordance with under clause 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2019.

For Thirumalai Chemicals Limited

R.Parthasarathy
Managing Director
(DIN: 00092182)

Mumbai,
06 May, 2019

SUSTAINABILITY REPORT

Our philosophy in sustainability is an outcome and a part of our value system: A recognition of the possible impacts of our operation, and a sense of responsibility to our people and to the communities we work in.

We recognize that as a manufacturing company and a chemical producer & user, many of our activities can lead to hazardous situations or cause damage to people, the soil, water or air. Since our beginnings as a small chemical producer in 1975, we have striven to be “clean”; we have followed European and global standards of environmental and safety performance long before they became mandated in India. We have evolved since then continuously as performance among good companies improved.

We strive to be among the best companies in the world in our practices in Safety, Environmental Impact, Water and energy consumption, the mitigation of hazards & the protection of our employees, customers and community.

In addition to providing outstanding 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. Since then we have been working constantly to improve − a testament to our focus on playing an active and responsible role in the communities we live and operate in.

Our long terms goals, remain the reduction of our use of critical resources – our raw materials, energy, water, and reducing our environmental footprint by improving the efficiency of our activities.

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 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 three decades has reduced by 78%. This is largely as a result of two initiatives: benchmarking and improving the efficiencies of all power and heat consuming equipment in manufacture; and recovering waste heat from every possible source, converting it into steam and power and recycling these.

Our Specific water consumption (water consumed per ton of product) has gone down by 70% in the last 20 years. On an inland site and in a seriously water and energy deficit State, this is vital for us and for our neighbours in the area. But this remains a source of worry, as the water table in South India is fast depleting. During the year we had a setback in this, as our water consumption went up slightly, due to the revamp and technology projects under implementation at the Ranipet site; these are now coming back to the previous low levels and will reduce further.

Improving water efficiency will be an important focus for your company for the next few years.

Our training and development programmes for young persons from rural communities and towns, started 30years ago, 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 cragsmen and technicians in an effort to generate more employment in these communities. We plan to extend these to our new site in Gujarat.

To serve our needs as a manufacturing company in multiple sites and countries and in different business segments, two years ago, we started a formal management development programme to identify young managers so that the next generation of mid and senior level management can grow from within. This is also an essential measure for our health and sustainability as an enterprise and is being supervised at very senior levels directly by the board.

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 17 September 2018.
2. We have examined the compliance of conditions of corporate governance by Thirumalai Chemicals Limited('the Company') for the year ended on 31 March 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, 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 2019.

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

Restriction on use

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

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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 19206931AAAAAK2925

Place: Chennai
Date: 16 May 2019

Form No. MR.3

Secretarial Audit Report for the financial year ended on March 31, 2019

[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, 2019 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, 2019 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: 06 May 2019

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: 06 May 2019

Independent Auditor's Report

Independent Auditor's Report

To the Members of Thirumalai Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Thirumalai Chemicals Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in the audit
Revenue recognition – Cut off	
Revenue for the Company consists primarily of sale of manufactured goods recognized as per the accounting policy described in Note 2.7 to the accompanying standalone financial statements. Refer Note 21 for details of revenue recognized during the year. The Company recognises revenue from sale of goods when it satisfies its performance obligation, in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, adopted by the Company from the current year, by transferring the control of goods to its customers through delivery evidenced by acknowledgement of receipt of goods by such customers. Considering the large volume of revenue transactions near period-end, there may be a risk of revenue recognition occurring before the satisfaction of the performance obligations by the company in accordance with the applicable Incoterms. Under Standards on Auditing 240 'The auditor's responsibilities relating to fraud in an audit of financial statements', there is a presumed risk that revenue may be misstated owing to the improper recognition of revenue. Considering the above factors, revenue recognition (cut-off) was identified as a key audit matter for the current year audit.	Our audit work included, but was not limited to, the following procedures: - Obtained an understanding of the revenue and receivable business process, and assessed the appropriateness of the accounting policy adopted by the company for revenue recognition. - Evaluated design and implementation of the key controls around revenue recognition including controls around contract approvals, invoice verification, transporter confirmations and customer acknowledgements. - Tested operating effectiveness of the above identified key controls over revenue recognition near period end. - For samples selected from revenue recorded during specific period, before and after year end: • verified the customer contracts for delivery terms • verified the customer acknowledgements to evidence proof of delivery for domestic sales at or near period end and • tracked shipments through bill of lading for export sales - Tested the appropriateness of the disclosures made in the financial statements for revenue recorded during the year. Key observations - Based on our audit work, we did not identify any evidence of material misstatement in the revenue recognised in the year 31 March 2019

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

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 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.
17. 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 2019 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 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 06 May 2019 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 33 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 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

Sumesh E S
Partner
Membership No.: 206931

Place: Chennai
Date: 06 May 2019

Annexure A to the Independent Auditor's Report of even date to the members of Thirumalai Chemicals Limited on the standalone financial statements for the year ended 31 March 2019

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 the repayment/receipts of the principal amount and the 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/services 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:

Statement of Disputed Dues

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	Tax dues	8,448,007	Nil	2000-01 to 2005-06	High Court, Chennai
Tamil Nadu General Sales Tax Act, 1959	Tax dues	1,673,318	418,329	2006-07	Appellate Deputy Commissioner of (CT), Vellore
Tamil Nadu Value Added Tax, 2006	Tax dues	3,572,318	488,068	2006-07 to 2008-09; 2011-12; 2013-14 to 2014-15	Appellate Deputy Commissioner of (CT), Vellore
Central Sales Tax Act, 1956	Tax dues	3,871,996	967,999	2006-07; 2011-12	Appellate Deputy Commissioner of (CT), Vellore
Income Tax Act, 1961	Tax dues	56,478,595	45,373,035	2012-13 to 2014-15; 2016-17	CIT(A), Mumbai

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

(ix) In our opinion, the Company has applied moneys raised by way of term loans for the purpose for which they were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments) during the year.

(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

Sumesh E S
Partner
Membership No.: 206931

Place: Chennai
Date: 06 May 2019

Annexure B to the Independent Auditor's Report of even date to the members of Thirumalai Chemicals Limited on the standalone financial statements for the year ended 31 March 2019

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')

1. In conjunction with our audit of the standalone financial statements of Thirumalai Chemicals Limited ('the Company') as at and for the year ended 31 March 2019, 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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on IFCoFR criteria established by the company considering the essential components of internal 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

3. 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.

4. 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.

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

Meaning of Internal Financial Controls over Financial Reporting

6. 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

7. 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

8. 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 2019, 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

Sumesh E S
Partner
Membership No.: 206931

Place: Chennai
Date: 06 May 2019

BALANCE SHEET

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

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	17,065	14,668
Capital work-in-progress		15,933	3,893
Intangible assets	3	58	54
Financial assets	20		
(i) Investments	4	16,060	15,812
(ii) Loans	5	1,383	1,301
(iii) Other financial assets	6	159	225
Income tax assets (net)	7	970	954
Other assets	8	2,764	2,380
		54,392	**39,287**
Current assets			
Inventories	9	17,481	11,429
Financial assets	20		
(i) Investments	4	5,834	1,453
(ii) Trade receivables	10	7,814	7,120
(iii) Cash and cash equivalents	11	3,193	2,245
(iv) Bank balances other than those mentioned in cash and cash equivalents	11	310	2,178
(v) Other financial assets	6	328	125
Other assets	8	2,960	1,675
Assets classified as held for sale		-	128
		37,920	**26,353**
Total assets		**92,312**	**65,640**
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	12	1,024	1,024
Other equity	14	57,172	50,424
Total equity		**58,196**	**51,448**
Non-current liabilities			
Financial liabilities	20		
(i) Borrowings	15	3,321	-
Deferred tax liabilities (net)	7	3,339	3,079
Provisions	16	735	734
		7,395	**3,813**
Current liabilities			
Financial Liabilities	20		
(i) Trade payables	17		
(A) Total outstanding dues of micro enterprises and small enterprises		30	39
(B) Total outstanding dues other than micro enterprises and small enterprises		22,270	7,166
(ii) Other financial liabilities	18	3,339	1,555
Provisions	16	192	332
Other liabilities	19	890	1,287
Total liabilities		**26,721**	**10,379**
Total equity and liabilities		**92,312**	**65,640**

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

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

Sumesh E S
Partner
Membership No: 206931

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

R Parthasarathy
Managing Director
(DIN : 00092172)

R Ravi Shankar
Independent Director
(DIN : 01224361)

C G Sethuram
Chief Executive Officer

Ramya Bharathram
Whole Time Director and
Chief Financial Officer
(DIN : 06367352)

T Rajagopalan
Company Secretary
(FCS: 3508)

Place : Chennai
Date : 06 May 2019

Place : Chennai
Date : 06 May 2019

STATEMENT OF PROFIT AND LOSS

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

	Note	Year ended 31 March 2019	Year ended 31 March 2018
INCOME			
Revenue from operations	21	99,425	1,03,721
Other income, net	22	1,422	997
Total income		**1,00,847**	**1,04,718**
EXPENSES			
Cost of materials consumed	23	67,704	59,610
Purchase of stock-in-trade	23	1,027	29
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(1,494)	1,093
Excise duty recovered on sales		-	2,560
Employee benefit expenses	25	3,283	3,991
Finance costs	26	1,071	1,093
Depreciation and amortisation expenses	3	1,517	1,039
Other expenses	27	13,431	13,533
Total expenses		**86,539**	**82,948**
Profit before tax		**14,308**	**21,770**
Income tax expense	7		
-Current tax		4,449	7,375
-Deferred tax		250	(4)
Total tax expense		**4,699**	**7,371**
Profit for the year		**9,609**	**14,399**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
-Re-measurements of defined benefit plans	16	29	(33)
-Equity instruments through other comprehensive income, net		(411)	2,688
-Income tax relating to items that will not be reclassified to profit or loss	7	(10)	11
Other comprehensive income for the year, net of tax		**(392)**	**2,666**
Total comprehensive income for the year		**9,217**	**17,065**
Earnings per equity share on profit for the year	28		
Basic and diluted (in ₹)		9.38	14.06
Earnings per equity on total comprehensive income for the year			
Basic and diluted (in ₹)		9.00	16.67

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

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

Sumesh E S
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Membership No: 206931

For and on behalf of the Board of Directors of
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Company Secretary
(FCS: 3508)

Place : Chennai
Date : 06 May 2019

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Date : 06 May 2019

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019

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

Particulars	Equity share capital	Other equity				
		Surplus			Other reserves	Total other equity
		General reserve	Securities Premium	Retained Earnings	Accumulated other comprehensive income	
Balances at 01 April 2017	**1,024**	**4,283**	**1,971**	**19,296**	**10,120**	**35,670**
Profit for the year	-	-	-	14,399	-	14,399
Dividend declared (relating to 2016-17)	-	-	-	(1,920)	-	(1,920)
Dividend distribution tax (relating to 2016-17)	-	-	-	(391)	-	(391)
Other comprehensive income	-	-	-	-	2,666	2,666
Balances at 31 March 2018	**1,024**	**4,283**	**1,971**	**31,384**	**12,786**	**50,424**
Profit for the year	-	-	-	9,609	-	9,609
Dividend declared (relating to 2017-18)	-	-	-	(2,048)	-	(2,048)
Dividend distribution tax (relating to 2017-18)	-	-	-	(421)	-	(421)
Other comprehensive income	-	-	-	-	(392)	(392)
Balances at 31 March 2019	**1,024**	**4,283**	**1,971**	**38,524**	**12,394**	**57,172**

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

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

Sumesh E S
Partner
Membership No: 206931

For and on behalf of the Board of Directors of
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T Rajagopalan
Company Secretary
(FCS: 3508)

Place : Chennai
Date : 06 May 2019

Place : Chennai
Date : 06 May 2019

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2019

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

		Year ended 31 March 2019	Year ended 31 March 2018
A.	**Cash Flow From Operating Activites**		
	Profit before tax	**14,308**	**21,770**
	Adjustments for:		
	Depreciation and amortisation expense	1,517	1,039
	Finance costs	1,071	1,093
	Interest income	(259)	(375)
	Gain on fair valuation of derivatives	(69)	-
	Dividend income	(367)	(397)
	Provision for employee benefits	107	163
	Expected credit losses	4	221
	Property, plant and equipment written off	-	2
	Profit on sale of property, plant and equipment, net	-	(6)
	Lease Rent Charged off	22	10
	Unrealised forex loss / (gain), net	7	6
	Operating profit before working capital changes	**16,341**	**23,526**
	Changes in assets and liabilities:		
	(Increase) / decrease in trade and other receivables	(614)	3,940
	(Increase) / decrease in inventories	(6,052)	1,737
	(Increase) / decrease in Other financial assets	(68)	1,719
	(Increase) in Other assets	(2,820)	(1,125)
	Increase / (decrease) in trade and other payables	15,095	(15,499)
	(Decrease) / increase in Provision & other current liabilities	(503)	239
	(Decrease) / increase in Other financial liabilities	(629)	713
	Cash Generated From Operations	**20,750**	**15,250**
	Direct tax paid (net)	(4,658)	(7,398)
	Net Cash Inflow From Operations	**16,092**	**7,852**
B.	**Cash Flow From Investing Activities**		
	Sale of property, plant and equipment	-	8
	Purchase of property, plant and equipment and Capital work in progress	(14,003)	(4,143)
	Interest received	259	375
	(Purchase) / sale of Investments (net)	(5,039)	39
	Dividend received	367	397
	Movement in balances with bank held as margin money	1,868	(139)
	Net Cash (Outflow) From Investing Activities	**(16,548)**	**(3,463)**
C.	**Cash Flow From Finance Activities (Also, refer note 15)**		
	Proceeds from borrowings	4,987	-
	Finance costs	(1,114)	(1,093)
	Dividend paid (including dividend tax)	(2,469)	(2,311)
	Net Cash From / (Used In) Financing Activities	**1,404**	**(3,404)**
D.	**Net cash flows during the year**	**948**	**985**
E.	Cash and cash equivalents at the beginning	2,245	1,260
F.	**Cash and cash equivalents at the end**	**3,193**	**2,245**
	Cash and cash equivalents comprise of:		
	Cash on hand	3	2
	Balances with banks - in current accounts	1,078	2,243
	Deposit accounts (with original maturity less than 3 months)	2,112	-
	Cash and cash equivalents as per note 11	3,193	2,245
	Notes 1 to 35 form an integral part of these standalone financial statements		

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 06 May 2019

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

R Parthasarathy
Managing Director
(DIN : 00092172)

R Ravi Shankar
Independent Director
(DIN : 01224361)

C G Sethuram
Chief Executive Officer

Ramya Bharathram
Whole Time Director and
Chief Financial Officer
(DIN : 06367352)

T Rajagopalan
Company Secretary
(FCS: 3508)

Place : Chennai
Date : 06 May 2019

Summary of significant accounting policies and other explanatory information

1 General Information

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

2 Summary of significant accounting policies

2.1 Basis of preparation

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, 2013 (the "Act") and other relevant provisions of the Act.

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

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

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

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

2.2 Reporting and presentation currency

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

2.3 Critical accounting estimates, assumptions and judgements

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

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

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

(i) Deferred income tax assets and liabilities

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

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

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

(iii) Employee benefit obligations

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

(iv) Provisions and contingencies

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

Summary of significant accounting policies and other explanatory information

2.4 Changes in significant accounting policies

The Company has initially applied Ind AS 115 from 01 April 2018. Due to the transition method chosen, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

Ind AS 115 'Revenue from contracts with customers'

Ind AS 115 'Revenue from Contracts with Customers' replaces Ind AS 18 'Revenue', Ind AS 11 'Construction Contracts', and several revenue-related Interpretations. The new Standard has been applied retrospectively without restatement, with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at 01 April 2018.

There has been no effect on the Company of initially applying this standard. The adoption of Ind AS 115 in the current year has mainly affected the following area:

- Consideration of the effect of variable consideration, in determining the transaction price.

2.5 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2019 reporting periods. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

Ind AS 116 'Leases'

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

Based on preliminary assessment, the management does not foresee a material impact on adoption of the standard.

Ind AS 12 Appendix C, 'Uncertainty over Income Tax Treatment'

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 12 – 'Income taxes'

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

2.6 Foreign currency translation

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

Summary of significant accounting policies and other explanatory information

2.7 Revenue from contracts with customers

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

1 Identifying the contract with customer

2 Identifying the performance obligations

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

5 Recognising revenue when / as performance obligation(s) are satisfied.

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

These activity-specific revenue recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

(i) Sale of chemicals

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

(ii) Income from wind operated generators

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

(iii) Income from operating lease

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

(iv) Sale of scrap

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

(v) Dividend and interest income

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

(vi) Export benefits

Income from duty drawback and export benefit under duty free credit entitlements is recognised 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 certainty that the consideration is unconditional because only the passage of time is required before the payment is due.

2.8 Property, plant and equipment

(i) *Plant and equipment*

Plant and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management. Plant and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

(ii) *Land*

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

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 recognised 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.

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. The cost of property, plant and equipment includes non-refundable taxes,

Summary of significant accounting policies and other explanatory information

duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Property, plant and equipment which are retired from active use and are held for disposal are stated at the lower of their net book value or net realizable value. Cost of property, plant and equipment not ready for the intended use as at balance sheet date are disclosed as "capital work-in-progress".

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

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

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

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

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

(iv) *Depreciation and amortisation*

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

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

2.9 Research and development expenses

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

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

2.10 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 made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss or amortised cost.

Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

Summary of significant accounting policies and other explanatory information

a. Amortised cost

b. Fair Value Through Other Comprehensive Income (FVOCI) or

c. Fair Value Through Profit and Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

a. Financial assets at amortised Cost

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortised cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

b. Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by-instrument (i.e.., share-by-share) basis. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

c. Financial assets at Fair Value Through Profit and Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in profit and loss.

d. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss:

This category are primarily derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

Summary of significant accounting policies and other explanatory information

2.12 Inventories

(i) Raw materials

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

(ii) Work in progress and finished goods

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

(iii) Stores and Spares

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

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

2.14 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 recognised fund. Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to insurance company in accordance with the scheme framed by the Corporation. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

(i) Provident fund

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

(ii) Other funds

The Company's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

(iii) Superannuation fund

Contribution made towards Superannuation Fund (funded by payments to an insurance company) which is a defined contribution plan, is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

Defined benefit Plan

Under the Company's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary.

The defined benefit plans are as below

(i) Gratuity

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Company estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to 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.

(ii) Leave salary - compensated absences

The Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

1.15 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

2.16 Earnings per equity share

Basic earnings per equity share is calculated by dividing the total comprehensive income 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

Summary of significant accounting policies and other explanatory information

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.

2.17 Taxation

Tax expense recognised in the statement of profit or loss comprises the sum of deferred tax and current tax not recognised 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 recognised in other comprehensive income are also disclosed under the same head.

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

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognised 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 recognised in other comprehensive income or equity, respectively.

2.18 Contingent liabilities and provisions

Provisions are recognised 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 recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote.

The Company does not recognise contingent assets unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the financial statements.

2.19 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.

2.20 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.

2.21 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 and intangibles

Particulars	Property, Plant and Equipment									Intangible assets
	Freehold Land	Buildings and Roads	Plant and equipment	Wind operated generators	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Total	Computer software
Gross block										
Balance as at 1 April 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**
Re-classification of asset held for sale	-	-	128	-	-	-	-	-	128	-
Additions	-	293	3,387	-	-	16	24	42	3,762	28
Disposals	-	-	(910)	-	-	(3)	-	-	(913)	-
Balance as at 31 March 2019	**7,074**	**963**	**10,956**	**571**	**123**	**111**	**114**	**116**	**20,028**	**94**
Accumulated depreciation / amortisation										
Balance as at 1 April 2017	**-**	**36**	**1,266**	**35**	**10**	**9**	**14**	**12**	**1,382**	**-**
Depreciation / amortisation 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**
Depreciation on re-classification of asset held for sale	-	-	21	-	-	-	-	-	21	-
Depreciation / amortisaion for the year	-	43	1,327	35	12	16	16	23	1,472	24
Reversal on disposal of assets	-	-	(910)	-	-	(3)	-	-	(913)	-
Balance as at 31 March 2019	**-**	**119**	**2,594**	**105**	**33**	**19**	**43**	**50**	**2,963**	**36**
Net block										
Balance as at 31 March 2018	7,074	594	6,195	501	102	92	63	47	14,668	54
Balance as at 31 March 2019	**7,074**	**844**	**8,362**	**466**	**90**	**92**	**71**	**66**	**17,065**	**58**

Notes:

(i) Of the above, movable property, plant and equipment of the Company has been pledged as collateral for the Company's term loan (Refer note 15).

(ii) For contractual commitment with respect to freehold land & property, plant and equipment refer note 33 (a).

(iii) Details of capital expenditure incurred towards research and development is disclosed in note 31.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

			As at 31 March 2019	As at 31 March 2018
4	**Investments**			
I.	**Non-current investments**			
a)	**Investments at cost**			
	Investments in equity instruments of subsidiaries - unquoted			
	Cheminvest Pte Limited, Singapore		3,786	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 step down subsidiary) (refer note (i) below)		3,083	3,083
	2,302,814 equity shares of US$ 2.09 each fully paid up			
		A	**6,869**	**6,869**

(i) 84.20% of equity share capital of optimistic organic Sdn, Bhd, Malaysia (Step down subsidiary) is held by Cheminvest Pte Limited (wholly owbed subsidiary), resulting in 100% beneficial ownership by the Holding Company.

			As at 31 March 2019	As at 31 March 2018
b)	**Investments designated at FVOCI**			
	Investments in equity instruments			
	Quoted			
	5,000 (31 March 2018 5,000 equity shares of Neyveli Lignite Corporation Limited at ₹ 10 each fully paid up		3	4
	1,409 (31 March 2018: 1,409) equity shares of Piramal Enterprises Limited at ₹ 2 each fully paid up		39	34
	3,482,557 (31 March 2018: 3,250,026) equity shares of Ultramarine and Pigments Limited at ₹ 2 each fully paid up		9,149	8,905
		B	**9,191**	**8,943**
	Total non-current investments	**A + B**	**16,060**	**15,812**
	Aggregate amount of:			
	- Quoted investments and market value thereof;		9,191	8,943
	- Unquoted investments		6,869	6,869
	Extent of investment in subsidiaries			
	Cheminvest Pte Limited, Singapore		100%	100%
	Optimistic Organic Sdn Bhd, Malaysia		15.80%	15.80%
II.	**Current investments**			
a)	**Investments in mutual funds designated at FVTPL**			
	Unquoted			
	118,225 units in Reliance Liquid Fund		1,808	-
	98,519 units in Kotak Liquid Fund		1,205	-
	99,350 units in HDFC Liquid Fund		1,013	-
	1,803,594 units in Aditya Birla Sunlife Liquid Fund		1,808	-
	14,367,009 units in IDFC Ultra Short Term Fund		-	1,453
	Total current investments		**5,834**	**1,453**
	Aggregate amount of:			
	- Unquoted investments		5,834	1,453

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2019	As at 31 March 2018
5	**Loans**		
	Non - Current		
	Unsecured, considered good		
	Loans and advances to subsidiary companies (Refer note 32 (c))	1,383	1,301
		1,383	**1,301**

		As at 31 March 2019		As at 31 March 2018	
		Non-current	Current	Non-current	Current
6	**Other financial assets**				
	(Unsecured, considered good unless and otherwise stated)				
	Security deposits				
	- Unsecured, considered good	159	-	225	-
	- Deposits which have significant increase in credit risk	3	-	3	-
	Less: Allowances for expected credit loss	(3)	-	(3)	-
	Staff advances	-	59	-	41
	Receivable from subsidiary and step down subsidiary (Refer note 32 (c))	-	64	-	54
	Foreign currency options contracts	-	151	-	5
	Others	-	54	-	25
		159	**328**	**225**	**125**

Notes:

(a) There are no financial assets due from directors or other officers of the Company.

(b) The carrying amount of cumulative other financial assets are considered as a reasonable approximation of fair value.

(c) There were no movements in the allowances for expected credit losses.

(d) A description of the Company's financial instrument risks, including risk management objectives and policies are given in note 20.

		As at 31 March 2019	As at 31 March 2018
7	**Income tax**		
I.	**Income tax assets (net)**		
	Taxes paid in advance [Net of provision for tax ₹ 19,434 lakhs (31 March 2018: ₹7,519 lakhs)]	970	954
		970	**954**

		Year ended 31 March 2019	Year ended 31 March 2018
II.	**Amounts recognised in profit or loss**		
	Current tax		
	Current period	4,449	7,375
	Total current tax expense	**4,449**	**7,375**
	Deferred tax attributable to		
	Origination and reversal of temporary differences	241	(4)
	Increase in tax rate	9	-
	Total deferred tax expense / (benefit)	**250**	**(4)**
	Income tax expense	**4,699**	**7,371**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	Year ended 31 March 2019			Year ended 31 March 2018		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
III. Amounts recognised in other comprehensive income						
- Re-measurements of defined benefit plans	29	10	19	(33)	(11)	(22)
- Equity instruments through other comprehensive income, net	(411)	-	(411)	2,688	-	2,688
	(382)	**10**	**(392)**	**2,655**	**(11)**	**2,666**

IV. Reconciliation of effective tax rate

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 34.94% (2017-18: 34.61%) and the reported tax expense in the statement of profit and loss are as follows:

	Year ended 31 March 2019		Year ended 31 March 2018	
Profit before tax		14,308		21,770
Tax using the Company's domestic tax rate	34.94%	5,000	34.61%	7,534
Effect of:				
Weighted deduction for research and development expenses	-1.45%	(208)	-0.76%	(166)
Dividend Income	-0.89%	(128)	-0.63%	(137)
Interest under Section 234C	0.00%	-	0.16%	34
Deduction under Chapter VI A	0.25%	36	0.16%	35
Others	-0.01%	(1)	0.33%	71
Effective tax rate	**32.84%**	**4,699**	**33.87%**	**7,371**

V. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets) / liability	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provisions - employee benefits	(324)	(302)	-	-	(324)	(302)
Provisions - others	(77)	(56)	-	-	(77)	(56)
Other items	-	(16)	33	-	33	(16)
Property, plant and equipment	-	-	3,072	2,818	3,072	2,818
Restatement of financial assets	-	-	635	635	635	635
Deferred tax (assets) liabilities	**(401)**	**(374)**	**3,740**	**3,453**	**3,339**	**3,079**

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 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
8 Other assets				
Balance with Government authorities	-	2,703	-	896
Supplier advances				
-Considered good	-	103	-	251
-Considered doubtful	-	9	-	112
Less : Allowances for bad and doubtful advances	-	(9)	-	(112)
Capital advances (Also, refer note 32 (c))	386	-	1,424	-
Prepaid expenses	132	117	17	296
Prepaid lease rentals (Also, refer note 32(b)	2,041	22	939	10
Others (Also, refer note 32(b))	205	15	-	222
	2,764	**2,960**	**2,380**	**1,675**

All of the Company's other current and non-current assets have been reviewed for indicators of impairment, and no allowances for losses were created during the year. In the previous year, the Company had allowances for doubtful supplier advances to the extent of ₹ 112 lakhs, which were identified on a case to case basis. Out of the allowances made in the previous year, allowances amounting to ₹ 103 were reversed during the current year on account of either receipt of materials or service against the advance.

	As at 31 March 2019	As at 31 March 2018
9 Inventories		
(valued at lower of cost and net realisable value)		
Raw materials	13,690	8,955
Work in progress	731	398
Finished goods	2,464	1,295
Stock-in-trade	72	80
Stores and spares	337	501
Fuel	89	100
Packing materials	98	100
	17,481	**11,429**
Note		
(i) Goods in transit included above are as below :		
a. Raw material	6,668	18
b. Finished goods	2,083	848
10 Trade receivables		
Current		
Unsecured		
(a) Considered good	7,814	7,120
(b) Receivables which have significant increase in credit risk	216	155
	8,030	**7,275**
Allowance for expected credit loss:		
(a) Receivables which have significant increase in credit risk	(216)	(155)
	-216	**-155**
Net trade receivables	**7,814**	**7,120**
Notes:		
(i) Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (Also, refer note 32)	14	14
Expected credit loss	-	-
Net trade receivables from related parties	**14**	**14**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
(ii) Movement in allowance for expected credit loss		
Balance at the beginning of the year	**155**	**188**
Amounts written off	(46)	(142)
Allowance during the year	151	109
Reversal during the year	(44)	-
Balance at the end of the year	**216**	**155**

(iii) Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days. The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as it is expected to be collected within twelve months.

(iv) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 20.

	Year ended 31 March 2019	Year ended 31 March 2018
11 Cash and bank balances		
Cash and cash equivalents		
Balance with banks in current accounts	1,078	2,196
Cheques on hand	-	47
Cash on hand	3	2
Deposit accounts (with original maturity less than 3 months)	2,112	-
Cash and cash equivalents as per statement of cash flows	**3,193**	**2,245**
Bank balances other than mentioned in cash and cash equivalents		
Unpaid dividend	37	37
Balances with bank held as margin money	273	2,141
	310	**2,178**
	3,503	**4,423**

Unpaid interest on matured deposits included in Cash and cash equivalents is ₹ 13 lakhs (31 March 2018 : ₹ 14 lakhs).

	As at 31 March 2019		As at 31 March 2018	
	Number	₹ in lakhs	Number	₹ in lakhs
12 Share capital				
Authorised				
Equity shares of ₹ 1 each (31 March, 2018 ₹ 10 each, refer note g)	15,00,00,000	1,500	1,50,00,000	1,500
Unclassified shares of ₹ 10 each	1,00,00,000	1,000	1,00,00,000	1,000
	16,00,00,000	**2,500**	**2,50,00,000**	**2,500**
Issued				
Equity shares of ₹ 1 each (31 March, 2018 ₹ 10 each, refer note g)	10,24,28,120	1,024	1,02,42,812	1,024
	10,24,28,120	**1,024**	**1,02,42,812**	**1,024**
Subscribed and fully paid-up				
Equity shares of ₹ 1 each (31 March, 2018 ₹ 10 each, refer note g)	10,23,88,120	1,024	1,02,38,812	1,024
Add: Amount paid up on forfeited shares (refer note d)	40,000	-	4,000	-
	10,24,28,120	**1,024**	**1,02,42,812**	**1,024**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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 ₹ 1. 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 2019		As at 31 March 2018	
	Number	% holding	Number	% holding
Equity shares of ₹ 1 each				
Ultramarine and Pigments Limited	2,04,51,770	19.97%	20,45,177	19.97%
Jasmine Limited	65,50,050	6.39%	6,55,005	6.39%
	2,70,01,820	**26.36%**	**27,00,182**	**26.36%**

d) The Company had forfeited 40,000 equity shares of ₹ 1 each (31 March 2018: 4,000 equity shares of ₹ 10 each) on which amount originally paid up was ₹ 22,500. [Also, Refer Note (g)]

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 2019.

	Year ended 31 March 2019	Year ended 31 March 2018
f) Details of dividend paid:		
Date of meeting of board of directors	03 May 2018	20 May 2017
Dividend per share	20	18.75
Cash outflow (including dividend distribution tax) *in lakhs*	2,469	2,311

The board of directors, in its meeting on 06 May, 2019, has recommended a final dividend of ₹ 2 per equity share for the financial year ended 31 March, 2019. The recommendation is subject to the approval of shareholders at the annual general meeting and if approved would result in a cash-out flow of approximately ₹ 2,469 lakhs including corporate dividend tax.

g) In the annual general meeting held on 24 July 2018, the shareholders of the Company approved for splitting the authorised share capital of 15,000,000 equity shares of ₹ 10 in to 150,000,000 equity shares of ₹ 1 each.

13 Capital management policies and procedures

The Company's capital management objectives are to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure the Company has sufficient available funds for business requirements. There are no imposed capital requirements on the Company, whether statutory or otherwise.

The Company monitors capital using a ratio of 'net debt' to 'equity'. Net Debt is calculated as total borrowings (shown in note 15), less cash and cash equivalents.

The Company's net debt to equity ratio as at 31 March 2019 is as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Total borrowings	4,988	-
Less: Cash and cash equivalents	**(3,193)**	**(2,245)**
Net Debt	**1,795**	**-**
Total equity	**58,196**	**51,448**
Net Debt to equity ratio	**3%**	**0%**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2019	As at 31 March 2018
14	**Other equity**		
	I. Surplus		
	(a) Securities premium	1,971	1,971
	(b) General reserve	4,283	4,283
	(c) Retained earnings	38,524	31,384
	Total Surplus	**44,778**	**37,638**
	II. Other reserves		
	(d) Accumulated other comprehensive income	12,394	12,786
		12,394	**12,786**
	III. Total other equity (I+II)	**57,172**	**50,424**
	(a) Securities premium		
	Balance at the beginning of the year	1,971	1,971
	Add : Additions made during the year	-	-
	Balance at the end of the year	**1,971**	**1,971**
	Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.		
	(b) 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.		
	(c) Retained earnings		
	Balance at the beginning of the year	31,384	19,296
	Add : Transfer from statement of profit and loss	9,609	14,399
	Less : Final dividend	(2,048)	(1,920)
	Tax on equity dividend declared	(421)	(391)
	Balance at the end of the year	**38,524**	**31,384**
	Retained earnings comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc.		
	(d) Accumulated other comprehensive income		
	Balance at the beginning of the year	12,786	10,120
	Add / (less) : Movement during the year	(392)	2,666
	Balance at the end of the year	**12,394**	**12,786**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2019	As at 31 March 2018
15	**Borrowings**		
	Secured - at amortised cost		
	Term loan from bank (refer note (i) below)	4,988	-
	Total non-current borrowings	**4,988**	**-**
	Less: Current maturities of long-term loan from bank (included in note 18)	1,667	-
	Non-current borrowings (as per balance sheet)	**3,321**	**-**

Notes:

(i) The term loan is repayable in 6 equal quarterly instalments of ₹ 833 lakhs, and the first instalment is due on 27 November 2019. The term loan bears interest of 0.65 spread + 12 month marginal cost of fund based lending rate, payable quarterly under the terms of the loan.

The entity has borrowed these funds specifically for the purpose of constructing a qualifying asset. Accordingly, the related borrowing costs have been capitalised as part of the cost of that qualifying asset under the heading capital work-in-progress.

(ii) The above borrowing is secured by way of first charge on the movable property, plant and equipment of the Company.

(iii) Reconcliation of movement of liabilities to cash flows arising from financing activities:

	Borrowings
Balance at the beginning of the year	-
Changes from financing cash flows	
(i) Proceeds from borrowings	5,000
(ii) Transaction costs related to borrowings	(13)
Total changes from financing cash flows	**4,987**
Changes from financing cash flows	
(i) Interest expense paid and capitalised	(43)
(ii) Interest expense calculated using effective interest method	44
Total other changes	**1**
Balance at the end of the year	**4,988**

		As at 31 March 2019		As at 31 March 2018	
		Non-current	Current	Non-current	Current
16	**Provisions**				
	Provisions for employee benefits				
	(i) Gratuity	571	94	551	103
	(ii) Compensated absences	164	98	183	38
	Provision for taxes [net of taxes paid in advance ₹ 0 (31 March 2018: ₹ 7,283 lakhs)]	-	-	-	191
		735	**192**	**734**	**332**

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.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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

	As at 31 March 2019	As at 31 March 2018
Change in present value of projected benefit obligation		
Present value of benefit obligation at the beginning of the year	654	575
Interest cost	50	39
Current service cost	57	49
Benefits paid	(67)	(42)
Actuarial (gain) / loss	(29)	33
Projected benefit obligation at the end of the year	**665**	**654**
Thereof		
Unfunded	**665**	**654**
Components of net gratuity costs are:		
Current service cost	57	49
Interest cost	50	39
Net gratuity costs recognised in the income statement	**107**	**88**
Actuarial (gain) / loss recognised in other comprehensive income	(29)	33
Principal actuarial assumptions used:		
a) Discount rate	7.41%	7.68%
b) Long-term rate of compensation increase	10.00%	10.00%
c) Average future service	7 years	7 years
d) Attrition rate	10.50%	10.50%
e) Mortality table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of rate of escalation in salary considered in actuarial valuation 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 2019	94	64	250	257	**665**
31 March 2018	103	61	217	273	654

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 2019						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	0.50%
Impact on defined benefit obligation	(8)	8	(39)	45	44	(39)
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)

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

ii) Compensated absences

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

Principal actuarial assumptions used :	Year ended 31 March 2019	Year ended 31 March 2018
Discount rate	7.41%	7.68%
Long-term rate of compensation increase	10.00%	10.00%
Average remaining life	7 years	7 years
Attrition rate	10.50%	10.50%

		As at 31 March 2019	As at 31 March 2018
17	**Trade payables**		
	Total outstanding due of micro enterprise & small enterprises (Also, refer note below)	22,270	7,166
	Total outstanding due other than micro enterprise & small enterprises	30	39
		22,300	**7,205**

According to information available with the management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows :

i)	Principal amount remaining unpaid	30	39
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.	0.43	0.26
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.	0.43	0.26

		As at 31 March 2019	As at 31 March 2018
18	**Other financial liabilities**		
	Current maturities of long-term loan from bank (Also, refer note 15)	1,667	-
	Capital creditors	920	174
	Employee related payables	283	678
	Directors remuneration payable (Refer note 32 [c])	307	367
	Unpaid dividend	37	37
	Other payables (Also, refer note 32 [c])	125	299
		3,339	**1,555**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Notes:

(i) Unpaid dividend included above represent amounts to be credited to the Investors Education and Protection Fund as and when they become due. There are no delays in transferring the amounts due for payment to the Investor education and protection fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

(ii) Unpaid interest on matured deposits included in Other payables is ₹ 13 lakhs (31 March 2018 : ₹ 14 lakhs). Also, refer note 11.

(iii) The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 20.

19 Other liabilities		
Deposits from service providers	41	47
Statutory dues	197	618
Advances from customers (Refer note 32 (c))	644	608
Other payables	8	14
	890	**1,287**

20 Disclosures on financial instruments

I. Financial instruments by category

	As at 31 March 2019			As at 31 March 2018		
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
Financial assets						
Investments						
-Equity instruments*	-	-	9,191	-	-	8,943
-Mutual funds	-	5,834	-	-	1,453	-
Loans	1,383	-	-	1,301	-	-
Trade receivables	7,814	-	-	7,120	-	-
Cash and bank balances	3,503	-	-	4,423	-	-
Foreign currency options contracts	-	151	-	-	5	-
Other financial assets	336	-	-	345	-	-
Total financial assets	**13,036**	**5,985**	**9,191**	**13,189**	**1,458**	**8,943**
Financial Liabilities						
Borrowings	4,988	-	-	-	-	-
Trade payables	22,300	-	-	7,205	-	-
Other financial liabilities	1,672	-	-	1,555	-	-
Total financial liabilities	**28,960**	**-**	**-**	**8,760**	**-**	**-**

*Represents the equity securities which are not held for trading, and for which the Company has made an irrecovable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Company considers this to be more relevant.

Investments in subsidiaries are recorded at cost and have not been included in the disclosure above.

II. Fair value heirarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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 2019:

		As at 31 March 2019 Fair value measurement using		
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets measured at fair value:				
FVOCI financial investments				
Quoted equity instruments	**9,191**	9,191	-	-
FVTPL financial investments				
Mutual funds	**5,834**	-	5,834	-
Derivative financial assets				
Options	**151**	-		151

		As at 31 March 2018 Fair value measurement using		
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets measured at fair value:				
FVOCI financial investments				
Quoted equity instruments	**8,943**	8,943	-	-
FVTPL financial investments				
Mutual funds	**1,453**	-	1,453	-
Derivative financial assets				
Options	**5**	-	-	5

Notes:

(i) **Level 1:** level 1 heirarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

(ii) **Level 2:** level 2 heirarchy includes mutual funds. The mutual funds are valued using the closing NAV provided by the fund management company at the end of each reporting year.

(iii) **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for:

- *Foreign currency options contract* - the fair value of options contracts is determined using the Black Scholes valuation model.

(iv) The Company has not disclosed the fair values for loans, cash and bank balances, trade receivables, other financial assets, trade payables, and other financial liabilities because their carrying amounts are a reasonable approximation to the fair value.

(v) There have been no transfers between levels 1 and 2 during the year.

III. Financial risk management

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company's senior management which is supported by a Treasury Team manages these risks. The Treasury Team advises on financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by the Treasury Team that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

The notes below explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Investments, trade receivables, cash and bank balances, loans, other financial assets	Ageing analysis Credit ratings	Diversification of bank deposits, and credit limits
Liquidity risk	Trade and other payables, other financial liabilities	Cash flow forecasts	Receivable management, Availability of commited credit lines and borrowing facilities
Market risk - interest rate	Long term Borrowings	Sensitivity analysis	*NA*
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian Rupee (₹)	Sensitivity analysis	Forward foreign exchange contracts Foreign currency options
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

A. Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The carrying amounts of financial assets represent the maximum credit exposure. 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.

Trade receivables and loans

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

Loss allowance for trade receivables are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Loans represent loans and advances extended to subsidiary Companies.

Cash and bank balances and investments

The credit risk for cash and cash equivalents, fixed deposits and mutual funds are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets

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.

B. Liquidity risk

Liquidity risk is that the Company will not be able to meet its obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required. The treasury team's risk management policy includes an appropriate liquidity risk management framework for the management of the shortterm, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, committed credit facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no / negligible mark to market risks.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. 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.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

The following are the remaining contractual maturities of financial liabilities at the reporting date:

	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
As at 31 March 2019				
Borrowings	-	2,099	3,538	-
Trade and other payables	22,300	-	-	-
Other financial liabilities	1,672		-	-
Total	**23,972**	**2,099**	**3,538**	**-**
As at 31 March 2018				
Borrowings		-	-	
Trade and other payables	7,205	-	-	-
Other financial liabilities	1,555	-	-	-
Total	**8,760**	**-**	**-**	**-**

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign exchange risk, and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's main exposure to interest risk arises from long term borrowing with floating rate. The Company does not have any derivatives to hedge its interest rate risk exposure as at 31 March 2019.

Interest rate sensitivity analysis

The table below summarises the impact of increases / decreases of the interest rates at the reporting date, on the Company's equity and profit for the period. The analysis is based on the assumption of +/- 1% change.

	Profit before tax		Equity before tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
As at 31 March 2019				
Term loan from bank	4	(4)	4	(4)
As at 31 March 2018				
Term loan from bank	-	-	-	-

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenues and purchases are denominated, and the functional currency of the Company. The functional currency of the Company is the Indian Rupee (₹). The currency in which these transactions are primarily denominated are in Indian Rupee (₹). Certain transactions are also denominated in US dollars (USD) and Euro (EUR)

Derivative financial instruments

The Company holds foreign currency options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on black scholes model. Options contracts are mainly entered into for net foreign currency exposures that are not expected to be offset by other same currency transactions.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

	31 March 2019			31 March 2018		
	USD	EUR	JPY	USD	EUR	JPY
Financial assets						
Trade receivables	845	49	-	648	28	-
Cash and bank balances	206	-	-	-	-	-
Other financial assets	25	-	-	-	-	-
Financial liabilities						
Trade and other payables	958	-	71	42	-	-
Other financial liabilities	23	52	-	-	-	-
Net assets / (liabilities)	**95**	**(3)**	**(71)**	**606**	**28**	**-**

The details in respect of outstanding foreign currency options contracts are as follows:

	31 March 2019		31 March 2018	
	USD in Millions	INR in Lakhs	USD in Millions	INR in Lakhs
Options contract in USD	5.2	3,597	3.3	2,146

The foreign exchange options contracts mature within 12 months. INR figures above have been calculated based on spot rates as at the reporting periods. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the Balance Sheet date *(amount in millions of USD)*:

	As at 31 March 2019	As at 31 March 2018
Not later than one month	1.1	0.9
Later than one month and not later than three months	2.7	1.8
Later than three months and not later than one year	1.4	0.6

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee (₹) against USD and EUR at 31 March would have affected the measurement of financial instruments denominated in such foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and also assumes a +/- 1% change of the INR / USD exchange rate and INR / EUR exchange rate at 31 March 2019 (31 March 2018: 1%). If the INR had strengthened against the USD by 1% during the year ended 31 March 2019 (31 March 2018: 1%) and EUR by 1% during the year ended 31 March 2019 (31 March 2018: 1%) respectively then this would have had the following impact profit before tax and equity before tax:

	Profit before tax		Equity before tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2019				
USD	19	(19)	19	(19)
EUR	1	(1)	1	(1)
JPY	1	(1)	1	(1)
As at 31 March 2018				
USD	6	(6)	6	(6)
EUR	-	-	-	-
JPY	-	-	-	-

Price risk

Equity price risk is related to the change in market price of the investments in quoted equity securities. The Company's exposure to equity security prices arises from investments held by the Company and classified in the balance sheet as FVOCI. In general, these investments are strategic investments and are not held for trading purposes. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Sensitivity analysis

	Profit before tax		Equity before tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
As at 31 March 2019				
Quoted equity securities	92	(92)	92	(92)
As at 31 March 2018				
Quoted equity securities	89	(89)	89	(89)

		Year ended 31 March 2019	Year ended 31 March 2018
21	**Revenue from operations**		
	Sale of products		
	Manufactured goods	97,106	1,02,599
	Traded goods	1,200	229
	Gross sales	**98,306**	**1,02,828**
	Other operating revenues, net		
	Sales of power from wind operated generators	163	149
	Income from letting out of storage facility	348	317
	Duty drawback benefit	107	199
	Export incentive	349	137
	Sale of scrap (net of taxes recovered)	152	91
		1,119	**893**
		99,425	**1,03,721**
22	**Other income**		
	Interest Income (Gross) (Also, Refer note 32(c))	259	375
	Dividend Income from investments	367	397
	Profit on sale of assets (net of loss on sales / scraping of asset)	-	6
	Rental income	44	40
	Excess provisions / Sundry balances written back (net)	73	2
	Gain on foreign currency transaction / translation (net)	124	-
	Gain on fair valuation of derivatives	69	-
	Expenses and Services recharged (Also, Refer note 32(c))	435	152
	Insurance claims	-	19
	Miscellaneous receipts	51	6
		1,422	**997**
23	**Cost of materials consumed and purchase of stock-in-trade**		
	Inventory at the beginning of the year	8,955	9,766
	Add : Purchases during the year	72,439	58,799
		81,394	68,565
	Less: Inventory at the end of the year	13,690	8,955
		67,704	**59,610**
	Purchase of stock-in-trade		
	Purchase of machinery spares and other chemicals	1,027	29
		1,027	**29**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
24	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Opening stock		
	Finished goods	1,295	2,092
	Work-in-progress	398	686
	Stock in trade	80	88
		1,773	**2,866**
	Closing stock		
	Finished goods	2,464	1,295
	Work-in-progress	731	398
	Stock in trade	72	80
		3,267	**1,773**
	Changes in inventories	**(1,494)**	**1,093**
25	**Employee benefit expenses**		
	Salaries and Wages	2,794	3,533
	Gratuity expense (Also, Refer note 16)	107	88
	Contribution to provident fund and other funds	204	221
	Staff welfare expenses	178	149
		3,283	**3,991**
26	**Finance costs**		
	Interest expense	611	504
	Other borrowing costs	460	589
		1,071	**1,093**
27	**Other expenses**		
	Stores and spares consumed	727	1,223
	Power and fuel	4,323	3,043
	Repairs to:		
	Machinery	600	440
	Buildings	310	188
	Others	19	36
	Packing expenses and materials consumed	944	1,030
	Freight and forwarding	3,959	4,255
	Commission and brokerage	100	125
	Rent	195	184
	Rates and taxes	175	235
	Insurance	147	145
	Travelling and conveyance	298	476
	Communication expenses	52	52
	Research and development expenses (Also, Refer note 31)	336	305
	Expenses on wind operated generators	56	37
	Legal and professional charges (Also, Refer note 29)	376	431
	Commission to Non-Executive Directors (Also, Refer note 32 (b))	125	125
	Provision for expected credit losses	4	221
	Corporate social responsibility expenditure (Also, Refer note 30 and 32 (b))	208	202
	Donation	35	44
	Loss on foreign currency transaction / translation (net)	-	67
	Miscellaneous expenses	442	669
		13,431	**13,533**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
28	**Earnings per equity share (EPS)**		
	Basic and diluted earnings per share (₹)		
	On profit for the year	9.38	14.06
	On total comprehensive income	9.00	16.67
	Notes:		
	The earnings and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows:		
	(a) Earning used in the calculation of basic and diluted earnings per share:		
	Profit for the year	9,609	14,399
	Total comprehensive income	9,217	17,065
	(b) Weighted average number of equity shares used in the calculation of basic and diluted earnings per share:		
	Weighted average number of equity shares outstanding during the year	10,23,88,120	10,23,88,120
	(c) In the annual general meeting held on 24 May 2018, the shareholders of the Company approved for splitting the authorised share capital of 15,000,000 equity shares of ₹ 10 in to 150,000,000 equity shares of ₹ 1 each. Consequently, the earnings per share has been restated for the earlier period presented.		
29	**Payments to auditor**		
	As auditor		
	Statutory audit	23	18
	Limited review	9	7
	Tax audit	3	3
	Others	4	2
	Total	**39**	**30**
30	**Expenditure on Corporate Social Responsibility (CSR)**		
	(a) Gross amount required to be spent by the Company during the year	271	136
	(b) Amount spent during the year on		
	(i) Construction / acquisition of any asset	-	-
	(ii) Purposes other than (i) above	208	202
	(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.		
31	**Research and Development expenses**		
	The amount spent towards Research and Development expenses during the year are as under		
	Capital expenditure*	285	218
	Revenue expenditure (Also, refer note 27)	336	305
		621	**523**

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

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

32 Related parties

a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Subsidiary Companies	Cheminvest Pte Limited (Subsidiary Company) (CPL) Optimistic Organic Sdn Bhd (Step down subsidiary)(OOSB) Lapiz Europe Limited
Key Management Personnel	Mr. R.Parthasarathy (Managing Director) Mrs. Ramya Bharathram (Deputy Managing Director and Chief Financial Officer) Mr. C.G Sethuraman (Chief Executive Officer) Mr. P Mohana Chandran Nair (Executive Director) 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. Dhruv Moondhra (Independent Director) Mr. R. Sampath (Non - Executive Director) Mr. Rajeev M Pandia (Additional Director) (Appointed with effect from 01 August 2018)
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 2019	Year ended 31 March 2018
Remuneration to Key Managerial Personnel	Mr. R.Parthasarathy	327	377
	Mrs. Ramya Bharathram	140	143
	Mr. P Mohana Chandran Nair	57	54
	Key Managerial Personnel other than directors	274	327
Director sitting fees	Independent Directors	39	42
Commission	Non - Executive Directors	125	125
Leasehold land and related other charges	Ultramarine and Pigments Limited	1,194	-
Purchase of Goods	Optimistic Organic Sdn Bhd	2,698	2,778
Sale of Goods	Optimistic Organic Sdn Bhd	569	364
Rendering of Services	Optimistic Organic Sdn Bhd	380	101
	Ultramarine and Pigments Limited	46	36
Receipt of Services	Ultramarine and Pigments Limited	9	21
	Thirumalai Charity Trust	8	6
Guarantee Commission	Optimistic Organic Sdn Bhd	55	50
Corporate social responsibility expenditure	Thirumalai Charity Trust	200	200
Interest Income on Loan Given	Optimistic Organic Sdn Bhd	-	138
	Cheminvest Pte Limited	121	98

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

c) Balances with related parties

Particulars	Related Party	As at 31 March 2019	As at 31 March 2018
Trade receivables	Optimistic Organic Sdn Bhd	14	7
	Ultramarine and Pigments Limited	-	7
Other receivables	Optimistic Organic Sdn Bhd	38	35
	Cheminvest Pte. Limited	26	19
Capital advances	Ultramarine and Pigments Limited	-	136
Trade payables	Optimistic Organic Sdn Bhd	613	-
Advances from customers	Optimistic Organic Sdn Bhd	109	423
Deposits payable	Ultramarine and Pigments Limited	14	14
Loans	Cheminvest Pte. Limited	1,383	1,301
Directors remuneration payable (including commission to Non-Executive Directors)	Key Managerial Personnel	307	367

(d) Details of maximum amount due at any time during the year :

Particulars	Related Party	Year ended 31 March 2019	Year ended 31 March 2018
Loans	Cheminvest Pte. Limited	1,594	1,704

	As at 31 March 2019	As at 31 March 2018
33 Contingent liabilities, commitments and guarantees		
a) Commitments		
Estimated amount of contracts to be executed on capital account and not provided for	4,504	12,605
- Against which advances paid	386	1,424
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	5,433	5,387
c) Contingent liabilities		
Indirect tax matters under dispute (Refer note (i) below)	176	159
Income tax demand including interest contested in Appeal (Refer note (ii) below)	565	462

(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 ₹ 91 Lakhs (Previous Year ₹ 75 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 ₹ 565 Lakhs (Previous Year ₹ 462 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 ₹ 454 Lakhs (Previous year ₹ 281 Lakhs).

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

34 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. Within the single reportable segment of sale of organic chemicals, a single customer contributes to 16% of the Company's revenue from operations, amounting to ₹ 15,757 Lakhs.

35 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2019) and the report release date (06 May 2019) except for proposed dividend as disclosed in note 12.

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 06 May 2019

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

R Parthasarathy
Managing Director
(DIN : 00092172)

R Ravi Shankar
Independent Director
(DIN : 01224361)

C G Sethuram
Chief Executive Officer

Ramya Bharathram
Whole Time Director and
Chief Financial Officer
(DIN : 06367352)

T Rajagopalan
Company Secretary
(FCS: 3508)

Place : Chennai
Date : 06 May 2019

Independent Auditor's Report

To the Members of Thirumalai Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Thirumalai Chemicals Limited (herein after referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as 'the consolidated financial statements').

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, its consolidated profit (including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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

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

Key audit matter	How the matter was addressed in the audit
Revenue recognition – Cut off	
Revenue for the Holding Company consists primarily of sale of manufactured goods recognized as per the accounting policy described in Note 2.7 to the accompanying standalone financial statements. Refer Note 21 for details of revenue recognized during the year. The Holding Company recognises revenue from sale of goods when it satisfies its performance obligation, in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, adopted by the Holding Company from the current year, by transferring the control of goods to its customers through delivery evidenced by acknowledgement of receipt of goods by such customers. Considering the large volume of revenue transactions near period-end, there may be a risk of revenue recognition occurring before the satisfaction of the performance obligations by the Holding Company in accordance with the applicable Incoterms. Under Standards on Auditing 240 'The auditor's responsibilities relating to fraud in an audit of financial statements', there is a presumed risk that revenue may be misstated owing to the improper recognition of revenue. Considering the above factors, revenue recognition (cut-off) was identified as a key audit matter for the current year audit.	Our audit work included, but was not limited to, the following procedures: - Obtained an understanding of the revenue and receivable business process, and assessed the appropriateness of the accounting policy adopted by the Holding Company for revenue recognition. - Evaluated design and implementation of the key controls around revenue recognition including controls around contract approvals, invoice verification, transporter confirmations and customer acknowledgements. - Tested operating effectiveness of the above identified key controls over revenue recognition near period end. - For samples selected from revenue recorded during specific period, before and after year end: • verified the customer contracts for delivery terms • verified the customer acknowledgements to evidence proof of delivery for domestic sales at or near period end and • tracked shipments through bill of lading for export sales - Tested the appropriateness of the disclosures made in the financial statements for revenue recorded during the year. Key observations - Based on our audit work, we did not identify any evidence of material misstatement in the revenue recognised in the year 31 March 2019

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

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, 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.

8. In preparing the consolidated financial statements, the respective board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 37,242 lakhs and net assets of ₹ 21,425 lakhs as at 31 March 2019, total revenues of ₹ 29,662 lakhs and net cash inflows amounting to ₹1,956 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, and matters identified and disclosed under key audit matters section above, in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

16. We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ₹ 39 lakhs and net assets of ₹ 29 lakhs as at 31 March 2019, total revenues of ₹ 23 lakhs and net cash inflows amounting to ₹ 21 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, and matters identified and disclosed under key audit matters section above 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 certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company, covered under the Act, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

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

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

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

d) in our opinion, the aforesaid consolidated financial statements comply with 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, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2019 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 Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements 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 34 to the consolidated financial statements.;

   ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019;

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 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

Sumesh E S
Partner
Membership No.: 206931

Place: Chennai
Date: 06 May 2019

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’)

1. In conjunction with our audit of the consolidated financial statements of Thirumalai Chemicals Limited (‘the Holding Company’) and its subsidiaries (the Holding Company and its subsidiaries together referred to as ‘the Group’), as at and for the year ended 31 March 2019, 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

2. 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

3. 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.

4. 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.

5. 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

6. 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

7. 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

8. 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 2019, 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

Sumesh E S
Partner
Membership No.: 206931

Place: Chennai
Date: 06 May 2019

CONSOLIDATED BALANCE SHEET

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

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	38,209	30,942
Capital work-in-progress		15,933	4,432
Intangible assets	3	58	54
Financial assets	19		
(i) Investments	4	9,191	8,943
(ii) Other financial assets	5	159	225
Income tax assets (net)	6	970	954
Other assets	7	3,618	3,188
		68,138	**48,738**
Current assets			
Inventories	8	19,112	12,594
Financial assets	19		
(i) Investments	4	5,834	1,453
(ii) Trade receivables	9	11,272	11,944
(iii) Cash and cash equivalents	10	5,262	2,352
(iv) Bank balances other than those mentioned in cash and cash equivalents	10	581	2,382
(v) Other financial assets	5	350	160
Other assets	7	3,535	2,765
Assets classified as held for sale		-	128
		45,946	**33,778**
Total assets		**1,14,084**	**82,516**
EQUITY AND LIABILITIES			
Shareholders' funds			
Equity share capital	11	1,024	1,024
Other equity	13	65,761	56,272
Total equity		**66,785**	**57,296**
Non-current liabilities			
Financial liabilities	19		
(i) Borrowings	14	7,841	4,997
Deferred tax liabilities	6	5,917	5,077
Provisions	15	735	734
		14,493	**10,808**
Current liabilities			
Financial liabilities	19		
(i) Trade payables	16		
(A) Total outstanding dues of micro enterprises and small enterprises		30	39
(B) Total outstanding dues other than micro enterprises and small enterprises		27,035	11,240
(ii) Other financial liabilities	17	4,703	1,924
Provisions	15	217	335
Other current liabilities	18	821	874
Total liabilities		**32,806**	**14,412**
Total equity and liabilities		**1,14,084**	**82,516**

Notes 1 to 36 form an integral part of these consolidated financial statements

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 06 May 2019

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

R Parthasarathy
Managing Director
(DIN : 00092172)

R Ravi Shankar
Independent Director
(DIN : 01224361)

C G Sethuram
Chief Executive Officer

Ramya Bharathram
Whole Time Director and
Chief Financial Officer
(DIN : 06367352)

T Rajagopalan
Company Secretary
(FCS: 3508)

Place : Chennai
Date : 06 May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

	Note	Year ended 31 March 2019	Year ended 31 March 2018
INCOME			
Revenue from operations	20	1,26,104	1,33,756
Other income, net	21	1,151	677
Total income		**1,27,255**	**1,34,433**
EXPENSES			
Cost of materials consumed	22	83,471	76,026
Purchase of stock-in-trade	22	1,027	29
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(1,672)	2,181
Excise duty recovered on sales		-	2,560
Employee benefits expenses	24	4,563	5,380
Finance costs	25	1,217	1,283
Depreciation and amortisation expenses	3	3,635	3,055
Other expenses	26	18,128	18,619
Total expenses		**1,10,369**	**1,09,133**
Profit before tax		**16,886**	**25,300**
Income tax expense	6		
- Current tax		4,831	7,396
- Deferred tax		698	860
		5,529	**8,256**
Profit for the year		**11,357**	**17,044**
Other comprehensive income:			
(A) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		993	75
		993	**75**
(B) Items that will not be reclassified to profit or loss			
- Re-measurements of defined benefit plans	15	29	(33)
- Equity instruments through other comprehensive income, net		(411)	2,688
- Income tax relating to items that will not be reclassified to profit and loss	6	(10)	11
		(392)	**2,666**
Other comprehensive income for the year, net of tax (A + B)		**601**	**2,741**
Total comprehensive income for the year		**11,958**	**19,785**
Earnings per equity share on profit for the year			
Basic and diluted (in ₹)		11.09	16.65
Earnings per equity share total comprehensive income for the year	27		
Basic and diluted (in ₹)		11.68	19.32

Notes 1 to 36 form an integral part of these consolidated financial statements

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

Sumesh E S
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Membership No: 206931

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T Rajagopalan
Company Secretary
(FCS: 3508)

Place : Chennai
Date : 06 May 2019

Place : Chennai
Date : 06 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

Particulars	Equity share capital	Other equity					Total
		Surplus				Other reserves	
		General reserve	Capital reserve on acquisition	Securities Premium	Retained Earnings	Accumulated other comprehensive income	
Balances at 01 April, 2017	**1,024**	**4,283**	**3,282**	**1,971**	**19,372**	**9,890**	**38,798**
Profit for the year	-	-	-	-	17,044	-	17,044
Dividend declared (relating to 2016-17)	-	-	-	-	(1,920)	-	(1,920)
Dividend distribution tax (relating to 2016-17)	-	-	-	-	(391)	-	(391)
Other comprehensive income	-	-	-	-	-	2,741	2,741
Balances at 31 March 2018	**1,024**	**4,283**	**3,282**	**1,971**	**34,105**	**12,631**	**56,272**
Profit for the year	-	-	-	-	11,357	**-**	**11,357**
Dividend declared (relating to 2017-18)	-	-	-	-	(2,048)	-	**(2,048)**
Dividend distribution tax (relating to 2017-18)	-	-	-	-	(421)	-	**(421)**
Other comprehensive income	-	-	-	-	-	601	**601**
Balances at 31 March 2019	**1,024**	**4,283**	**3,282**	**1,971**	**42,993**	**13,232**	**65,761**
Notes 1 to 36 form an integral part of these consolidated financial statements							

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

Sumesh E S
Partner
Membership No: 206931

For and on behalf of the Board of Directors of
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(DIN : 06367352)

T Rajagopalan
Company Secretary
(FCS: 3508)

Place : Chennai
Date : 06 May 2019

Place : Chennai
Date : 06 May 2019

CONSOLIDATED CASH FLOW STATEMENT

		Year ended 31 March 2019	Year ended 31 March 2018
A.	**Cash Flow From Operating Activites**		
	Profit before tax	**16,886**	**25,300**
	Adjustments for:		
	Depreciation and amortisation expense	3,635	3,055
	Finance costs	1,217	1,283
	Interest income	(153)	(147)
	Gain on fair valuation of derivatives	(69)	-
	Dividend income	(367)	(397)
	Provision for employee benefits	107	88
	Expected credit losses	4	221
	Profit on sale of property, plant and equipment, net	-	(6)
	Lease Rent Charged off	46	32
	Unrealised forex loss, net	7	6
	Operating profit before working capital changes	**21,313**	**29,435**
	Changes in assets and liabilities:		
	Decrease in trade and other receivables	766	1,630
	(Increase) / decrease in inventories	(6,518)	2,574
	(Increase) / decrease in other financial asset	(55)	233
	(Increase) in other assets	(2,359)	(1,789)
	Increase / (decrease) in trade and other payables	15,786	(14,076)
	(Decrease) / increase in Provision & other liabilities	(108)	658
	(Decrease) in other financial liabilities	(551)	(2,222)
		6,961	**(12,992)**
	Cash Generated From Operations	**28,274**	**16,443**
	Direct tax paid (net)	(4,881)	(8,361)
	Net Cash Inflow From Operations	**23,393**	**8,082**
B.	**Cash Flow From Investing Activities**		
	Sale of property, plant and equipment	-	8
	Purchase of property, plant and equipment and Capital work in progress	(19,321)	(5,892)
	Interest received	153	147
	(Purchase) / Sale of Investments (net)	(5,039)	63
	Dividend received	367	397
	Movement in balances with bank held as margin money	1,801	(120)
	Net Cash (Outflow) From Investing Activities	**(22,039)**	**(5,397)**
C.	**Cash Flow From Finance Activities (Also, refer note 14)**		
	Proceeds from borrowings	5,311	3,829
	Short term borrowings (net)	-	(1,879)
	Repayment of borrowings	(37)	-
	Finance costs	(1,227)	(1,283)
	Dividend paid (including dividend tax)	(2,469)	(2,311)
	Net cash from / (used in) financing activities	**1,578**	**(1,644)**
D.	**Net cash flows during the year**	2,932	1,041
E.	Cash and cash equivalents at the beginning	2,352	1,310
F.	Effect of exchange rate fluctuations on foreign currency cash and cash equivalents	(22)	1
G.	**Cash and cash equivalents at the end**	**5,262**	**2,352**
	Cash and cash equivalents comprise of:		
	Cash on hand	5	3
	Balances with banks - in current accounts	1,173	2,349
	Deposit accounts (with original maturity less than 3 months)	4,084	-
	Cash and cash equivalents as per note 10	**5,262**	**2,352**

Notes 1 to 36 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
Firm's Registration No.: 001076N / N500013

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 06 May 2019

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

R Parthasarathy
Managing Director
(DIN : 00092172)

R Ravi Shankar
Independent Director
(DIN : 01224361)

C G Sethuram
Chief Executive Officer

Ramya Bharathram
Whole Time Director and Chief Financial Officer
(DIN : 06367352)

T Rajagopalan
Company Secretary
(FCS: 3508)

Place : Chennai
Date : 06 May 2019

Summary of significant accounting policies and other explanatory information

1 General Information

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

2 Summary of significant accounting policies

2.1 Basis of preparation of consolidated financial statements

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

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

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Ind AS 110 - Consolidated Financial Statements, as specified in the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

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

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

2.2 Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and all of its subsidiaries as listed below. The financial statements of the subsidiaries forming part of these consolidated financial statements are drawn up to 31 March 2019. All material inter-company transactions and balances are eliminated on consolidation.

Name of the subsidiary	Country of incorporation	% of holding either directly or through subsidiary as at	
		31 March 2019	31 March 2018
Lapiz Europe Ltd.(Lapiz)	United Kingdom	100	100
Cheminvest Pte Ltd. (Cheminvest)	Singapore	100	100
Optimistic Organic Sdn Bhd. (OOSB)	Malaysia	100	100

Subsidiaries

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date the control ceases.

The financial statements of the Holding Company and its subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, equity, income and expenses, after fully eliminating intra-group transactions, intra-group balances, and resulting unrealised profits or losses, unless cost cannot be recovered, as per the applicable accounting standard. Accounting policies of the respective subsidiaries are aligned wherever necessary so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

Profit or loss of subsidiaries acquired or disposed during the year is recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Excess of acquisition cost over the carrying amount of the Holding Company's share of equity of the acquiree at the date of acquisition is recognised as goodwill. In cases where the share of the equity in the acquiree as on the date of acquisition is in excess of acquisition cost, such excess of share in equity is recognised as 'Capital reserve on acquisition' and classified under 'Reserves and Surplus'.

2.3 Reporting and presentation currency

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

2.4 Critical accounting estimates, assumptions and judgements

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised

Summary of significant accounting policies and other explanatory information

in the period in which the estimates are revised and future periods are affected. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

(i) *Deferred income tax assets and liabilities*

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

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

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

(iii) *Employee benefit obligations*

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

(iv) *Provisions and contingencies*

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

2.5 Changes in significant accounting policies

The Company has initially applied Ind AS 115 from 01 April 2018. Due to the transition method chosen, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

Ind AS 115 'Revenue from contracts with customers'

Ind AS 115 'Revenue from Contracts with Customers' replaces Ind AS 18 'Revenue', Ind AS 11 'Construction Contracts', and several revenue-related Interpretations. The new Standard has been applied retrospectively without restatement, with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at 01 April 2018.

There has been no effect on the Company of initially applying this standard. The adoption of Ind AS 115 in the current year has mainly affected the following area:

- Consideration of the effect of variable consideration, in determining the transaction price.

2.6 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2019 reporting periods. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

Ind AS 116 'Leases'

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

Based on preliminary assessment, the management does not foresee a material impact on adoption of the standard.

Ind AS 12 Appendix C, 'Uncertainty over Income Tax Treatment'

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Amendment to Ind AS 12 – 'Income taxes'

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Summary of significant accounting policies and other explanatory information

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group does not have any impact on account of this amendment.

2.7 Foreign currency translation

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

2.8 Revenue from contracts with customers

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

1 Identifying the contract with customer

2 Identifying the performance obligations

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

5 Recognising revenue when / as performance obligation(s) are satisfied.

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

These activity-specific revenue recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

(i) Sale of chemicals

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

(ii) Income from wind operated generators

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

(iii) Income from operating lease

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

(iv) Sale of scrap

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

(v) Dividend and interest income

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

(vi) Export benefits

Income from duty drawback and export benefit under duty free credit entitlements is recognised 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 certainty that the consideration is unconditional because only the passage of time is required before the payment is due.

2.9 Property, plant and equipment

(i) *Plant and equipment*

Plant and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management. Plant and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

(ii) *Land*

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

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.

Summary of significant accounting policies and other explanatory information

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

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

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

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

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

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

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

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

(iv) *Depreciation and amortization*

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

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

2.10 Research and development expenses

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

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

2.11 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 made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss or amortised cost.

Financial instruments are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

Summary of significant accounting policies and other explanatory information

a. Amortised cost

b. Fair Value Through Other Comprehensive Income (FVOCI) or

c. Fair Value Through Profit and Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

a. Financial assets at amortised cost

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortised cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

b. Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

c. Financial assets at Fair Value Through Profit and Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in profit and loss.

d. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss:

This category are primarily derivative financial assets or liabilities which are not designated as hedges. Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

2.13 Inventories

(i) Raw materials

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

(ii) Work in progress and finished goods

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

(iii) Stores and Spares

Stores and spares consists of packing materials, engineering spares and consumables (such as lubricants, cotton waste

Summary of significant accounting policies and other explanatory information

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.

2.14 Post-employment benefits and short-term employee benefits

Defined contribution plan

Contribution to Provident Fund in India and other defined contribution plans in the other entities of the Group are in the nature of defined contribution plan and are made to a recognised fund.

Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to insurance company in accordance with the scheme framed by the Corporation.

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

(i) Provident fund

The Holding Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognised as an expense in the period in which it falls due. The Holding Company's step down subsidiary, OOSB, makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period which the related service is performed.

(ii) Other funds

The Group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

(iii) Superannuation fund

Contribution made towards Superannuation Fund (funded by payments to an insurance company) which is a defined contribution plan, is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

Defined benefit Plan

Under the Group's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The defined benefit funds maintained by the Group are as below

(i) Gratuity

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Group estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to 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.

(ii) Leave salary - compensated absences

The Group also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

Overseas entities

Defined contribution

The Group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Defined benefit liability

The Group estimates the defined benefit liability annually. The actual outcome may vary due to estimation uncertainties. The estimate of its defined benefit liability is based on standard rates of inflation, medical cost trends and mortality. It also takes into account the Group's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Estimation uncertainties exist particularly with regard to medical cost trends, which may vary significantly in future appraisals of the Group's defined benefit obligations.

2.15 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

2.16 Earnings per equity share

Basic earnings per equity share is calculated by dividing the total comprehensive income for the period attributable to equity shareholders (after deducting attributable taxes) by the

Summary of significant accounting policies and other explanatory information

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.

2.17 Taxation

Tax expense recognised in the statement of profit or loss comprises the sum of deferred tax and current tax not recognised 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 recognised in other comprehensive income are also disclosed under the same head.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised 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 recognised in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognise deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognised 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 recognised in other comprehensive income or equity, respectively.

2.18 Contingent liabilities and provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote.

The Group does not recognise contingent assets unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the consolidated financial statements.

2.19 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.

2.20 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.

2.21 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.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

3 Property, plant and equipment and intangibles

Particulars	Property, plant and equipment									Intangible assets
	Freehold land	Buildings and roads	Plant and equipment	Wind operated generators	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Total	Computer software
Gross block										
Balance as at 01 April 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 fluctuations	-	2	86	-	-	-	-	-	88	-
Balance as at 31 March 2018	**7,074**	**1,272**	**27,664**	**571**	**136**	**138**	**127**	**75**	**37,057**	**66**
Re-classification of asset held for sale	-	-	128	-	-	-	-	-	128	-
Additions	-	729	8,854	-	6	48	44	42	9,723	28
Disposals	-	-	(1,962)	-	-	(3)	-	-	(1,965)	-
Exchange fluctuations	-	41	1,586	-	1	2	3	-	1,633	-
Balance as at 31 March 2019	**7,074**	**2,042**	**36,270**	**571**	**143**	**185**	**174**	**117**	**46,576**	**94**
Accumulated depreciation / amortisation										
Balance as at 01 April 2017	**-**	**59**	**2,930**	**35**	**15**	**13**	**14**	**12**	**3,078**	**-**
Depreciation / amortisation for the year	-	64	2,870	35	12	28	19	15	3,043	12
Reversal on disposal of assets	-	-	(3)	-	-	(23)	-	-	(26)	-
Exchange fluctuations	-	-	19	-	3	-	(2)	-	20	-
Balance as at 31 March 2018	**-**	**123**	**5,816**	**70**	**30**	**18**	**31**	**27**	**6,115**	**12**
Depreciation / amortisation for the year	-	75	3,392	35	14	27	24	23	3,590	24
Depreciation on re-classification of asset held for sale	-	-	21	-	-	-	-	-	21	-
Reversal on disposal of assets	-	-	(1,962)	-	-	(3)	-	-	(1,965)	-
Exchange fluctuations	-	10	594	-	-	1	1	-	606	-
Balance as at 31 March 2019	**-**	**208**	**7,861**	**105**	**44**	**43**	**56**	**50**	**8,367**	**36**
Net block										
Balance as at 31 March 2018	7,074	1,149	21,848	501	106	120	96	48	30,942	54
Balance as at 31 March 2019	**7,074**	**1,834**	**28,409**	**466**	**99**	**142**	**118**	**67**	**38,209**	**58**

i) Of the above, movable property, plant and equipment of the Holding Company has been pledged as collateral for term loan from bank (Refer note 14).

(ii) For contractual commitment with respect to freehold land & property, plant and equipment refer Note 34 (A).

(iii) The vehicles purchased through finance lease arrangement are hypothecated to the lessor (Refer note 28). The net carrying amount of such property, plant and equipment is Nil as at 31 March, 2019 (₹ 29 Lakhs as at 31 March, 2018).

(iv) Details of capital expenditure incurred towards research and development is disclosed in note 31.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2019	As at 31 March 2018
4	**Investments**		
I.	**Non-current investments**		
	Investments designated at FVOCI		
	Investments in equity instruments		
	Quoted		
	5,000 (31 March 2018: 5,000) equity shares of Neyveli Lignite Corporation Limited at ₹ 10 each fully paid up	3	4
	1,409 (31 March 2018: 1,409) equity shares of Piramal Enterprises Limited at ₹ 2 each fully paid up	39	34
	3,482,557 (31 March 2018: 3,250,026) equity shares of Ultramarine and Pigments Limited at ₹ 2 each fully paid up	9,149	8,905
	Total non-current investments	**9,191**	**8,943**
	Aggregate amount of:		
	-Quoted investments and market value thereof;	9,191	8,943
II.	**Current investments**		
	Investments in mutual funds designated at FVTPL		
	Unquoted		
	118,225 units in Reliance Liquid Fund	1,808	-
	98,519 units in Kotak Liquid Fund	1,205	-
	99,350 units in HDFC Liquid Fund	1,013	-
	1,803,594 units in Aditya Birla Sunlife Liquid Fund	1,808	-
	14,367,009 units in IDFC Ultra Short Term Fund	-	1,453
	Total current investments	**5,834**	**1,453**
	Aggregate amount of:		
	-Unquoted investments	5,834	1,453

		As at 31 March 2019		As at 31 March 2018	
		Non-current	Current	Non-current	Current
5	**Other financial assets**				
	(Unsecured, considered good unless and otherwise stated)				
	Security deposits				
	- Unsecured, considered good	159	-	225	-
	- Unsecured, considered doubtful	3	-	3	-
	Less: Allowances for expected credit loss	(3)	-	(3)	-
	Staff advances	-	59	-	41
	Foreign currency options contracts	-	151	-	5
	Others	-	140	-	114
		159	**350**	**225**	**160**

Notes:

(a) There are no financial assets due from directors or other officers of the Group.

(b) The carrying amount of cumulative other financial assets are considered as a reasonable approximation of fair value.

(c) There were no movements in the allowances for expected credit losses.

(d) A description of the Group's financial instrument risks, including risk management objectives and policies are given in note 19.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
6 Income tax		
I. Income tax assets (net)		
Taxes paid in advance [Net of provision for tax ₹ 19,434 lakhs (31 March 2018: ₹ 7,519 lakhs)]	970	954
	970	**954**

	Year ended 31 March 2019	Year ended 31 March 2018
II. Amounts recognised in profit or loss		
Current tax		
Current period	4,831	7,396
Total current tax expense	**4,831**	**7,396**
Deferred tax attributable to		
Origination and reversal of temporary differences	831	860
Increase in tax rate	9	-
Effect of exchange differences on translation	(142)	-
Total deferred tax expense	**698**	**860**
Income tax expense	**5,529**	**8,256**

	Year ended 31 March 2019			Year ended 31 March 2018		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
III. Amounts recognised in other comprehensive income						
- Exchange differences on translation of foreign operations	993	-	993	75	-	75
- Re-measurements of defined benefit plans	29	10	19	(33)	(11)	(22)
- Equity instruments through other comprehensive income, net	(411)	-	(411)	2,688	-	2,688
	611	**10**	**601**	**2,730**	**(11)**	**2,741**

IV. Reconciliation of effective tax rate

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Holding Company at 34.944% (2017-18: 34.608%) and the reported tax expense in the consolidated statement of profit and loss are as follows:

	Year ended 31 March 2019		Year ended 31 March 2018	
Profit before tax		16,886		25,300
Tax using the Holding Company's domestic tax rate	34.94%	5,901	34.61%	8,755
Effect of:				
Weighted deduction for research and development expenses	-1.25%	(211)	-0.66%	(166)
Dividend income	-0.76%	(128)	-0.54%	(137)
Interest under Section 234C	0.00%	-	0.13%	34
Deduction under Chapter VI A	0.25%	42	0.14%	35
Difference between Indian and Foreign taxes	-0.44%	(74)	-1.28%	(325)
Others	-0.01%	(1)	0.23%	60
Actual tax expense	**32.74%**	**5,529**	**32.63%**	**8,256**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

V. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets) / liability	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provisions - employee benefits	(324)	(302)	-	-	(324)	(302)
Provisions - others	(77)	(56)	-	-	(77)	(56)
Tax on unrealised profits	(178)	(220)	-		(178)	(220)
Restatement of financial assets	-	-	635	635	635	635
Property, plant and equipment	-	-	6,214	5,692	6,214	5,692
Tax on carried forward Capital Loss	(387)	(656)	-	-	(387)	(656)
Other items	-	(16)	34	-	(34)	(16)
Deferred tax (assets) liabilities	**(966)**	**1,250**	**6,883**	**6,327**	**5,917**	**5,077**

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 2019		As at 31 March 2018	
7	**Other assets**	**Non-current**	**Current**	**Non-current**	**Current**
	Balance with Government authorities	-	3,062	-	1,887
	Supplier Advances				
	- Considered good	-	194	-	251
	- Considered doubtful	-	9	-	112
	Less : Allowances for bad and doubtful advances	-	(9)	-	(112)
	Capital advances (Also, refer note 32(c))	402	-	1,424	-
	Prepaid Expenses	132	212	17	373
	Prepaid lease rentals (Also, refer note 32(b))	2,879	46	1,747	32
	Others (Also, refer note 32(b))	205	21	-	222
		3,618	**3,535**	**3,188**	**2,765**

All of the Group's other current and non-current assets have been reviewed for indicators of impairment, and no allowances for losses were created during the year. In the previous year, the Group had allowances for doubtful supplier advances to the extent of ₹ 112 lakhs, which were identified on a case to case basis. Out of the allowances made in the previous year, allowances amounting to ₹ 103 were reversed during the current year on account of either receipt of materials or service against the advance.

		As at 31 March 2019	As at 31 March 2018
8	**Inventories**		
	(valued at lower of cost and net realisable value)		
	Raw materials	13,894	8,944
	Work in progress	1,261	669
	Finished goods	2,526	1,438
	Stock-in-trade	72	80
	Stores and spares	1,105	1,212
	Fuel	89	100
	Packing materials	165	151
		19,112	**12,594**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2019	As at 31 March 2018
	Note		
	(i) Goods in transit included above are as below :		
	a. Raw material	6,318	18
	b. Finished goods	1,932	848
9	**Trade receivables**		
	Current		
	Unsecured		
	(a) Considered good	11,272	11,944
	(b) Receivables which have significant increase in credit risk	216	155
		11,488	**12,099**
	Allowance for expected credit loss:		
	(a) Receivables which have significant increase in credit risk	(216)	(155)
		(216)	**(155)**
	Net trade receivables	**11,272**	**11,944**

	Year ended 31 March 2019	Year ended 31 March 2018
Notes:		
(i) Movement in allowances for expected credit loss		
Balance at the beginning of the year	155	188
Amounts written off	(46)	(142)
Allowance during the year	151	109
Reversal during the year	(44)	-
Balance at the end of the year	**216**	**155**

(ii) Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days. The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as it is expected to be collected within twelve months.

(iii) The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 19.

		Year ended 31 March 2019	Year ended 31 March 2018
10	**Cash and bank balances**		
	Cash and cash equivalents		
	Balance with banks in current accounts	1,173	2,302
	Cheques on hand	-	47
	Cash on hand	5	3
	Deposit accounts (with original maturity less than 3 months)	4,084	-
	Cash and Cash equivalents as per statement of cash flows	**5,262**	**2,352**
	Bank balances other than mentioned in cash and cash equivalents		
	Unpaid dividend	37	37
	Balances with bank held as margin money	544	2,345
		581	**2,382**
		5,843	**4,734**

Unpaid interest on matured deposits included in Cash and cash equivalents is ₹ 13 lakhs (31 March 2018 : ₹ 14 lakhs).

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	As at 31 March 2019		As at 31 March 2018	
	Number	₹ in lakhs	Number	₹ in lakhs
11 Share capital				
Authorised				
Equity shares of ₹ 1 each (31 March 2018 ₹ 10 each refer note g)	15,00,00,000	1,500	1,50,00,000	1,500
Unclassified shares of ₹ 10 each	1,00,00,000	1,000	1,00,00,000	1,000
	16,00,00,000	**2,500**	**2,50,00,000**	**2,500**
Issued				
Equity shares of ₹ 1 each (31 March 2018 ₹ 10 each refer note g)	10,24,28,120	1,024	1,02,42,812	1,024
	10,24,28,120	**1,024**	**1,02,42,812**	**1,024**
Subscribed and fully paid-up				
Equity shares of ₹ 1 each (31 March 2018 ₹ 10 each refer note g)	10,23,88,120	1,024	1,02,38,812	1,024
Add: Amount paid up on forfeited shares (refer note d)	40,000	-	4,000	-
	10,24,28,120	**1,024**	**1,02,42,812**	**1,024**

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

b) Terms / rights attached to equity shares

The Holding Company has equity shares having a par value of ₹ 1. The Holding Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which is approved by the Board of Directors. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be proportional to the number of equity shares held by the shareholders.

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

	As at 31 March 2019		As at 31 March 2018	
Equity shares of ₹ 1 each	**Number**	**% holding**	**Number**	**% holding**
Ultramarine and Pigments Limited	2,04,51,770	19.97%	20,45,177	19.97%
Jasmine Limited	65,50,050	6.39%	6,55,005	6.39%
	2,70,01,820	**26.36%**	**27,00,182**	**26.36%**

d) The Company had forfeited 40,000 equity shares of ₹ 1 each (31 March 2018: 4,000 equity shares of ₹ 10 each) on which amount originally paid up was ₹ 22,500. (Also, refer note g).

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 2019.

	Year ended 31 March 2019	Year ended 31 March 2018
f) Details of dividend paid:		
Date of meeting of board of directors	03 May 2018	20 May 2017
Dividend per share	20	18.75
Cash outflow (including dividend distribution tax) *in lakhs*	2,469	2,311

The board of directors, in its meeting on 06 May, 2019 has recommended a final dividend of ₹ 2 per equity share for the financial year ended 31 March 2019. The recommended is subject to me approval of share holders at the annual general meeting and if approval would result in a cash out-flow of approximately ₹ 2,469 lakhs including corporate dividend tax.

g) In the annual general meeting held on 24 July 2018, the shareholders of the Holding Company approved for splitting the authorised share capital of 15,000,000 equity shares of ₹ 10 in to 150,000,000 equity shares of ₹ 1 each.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

12 Capital management policies and procedures

The Group's capital management objectives are to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure it has sufficient available funds for business requirements. There are no imposed capital requirements on the Group, whether statutory or otherwise.

The Group monitors capital using a ratio of 'net debt' to 'equity'. Net Debt is calculated as total borrowings (shown in note 14), less cash and cash equivalents.

	Year ended 31 March 2019	Year ended 31 March 2018
The Group's net debt to equity ratio as at 31 March 2019 is as follows:		
Total borrowings	10,313	5,005
Less: Cash and cash equivalents	(5,262)	(2,352)
Net Debt	**5,051**	**2,653**
Total equity	**66,785**	**57,296**
Net Debt to equity ratio	**8%**	**5%**

		As at 31 March 2019	As at 31 March 2018
13	**Other equity**		
I.	**Surplus**		
	(a) Securities premium	1,971	1,971
	(b) Capital reserve on acquisition	3,282	3,282
	(c) General reserve	4,283	4,283
	(d) Retained earnings	42,993	34,105
	Total Surplus	**52,529**	**43,641**
II.	**Other reserves**		
	(e) Accumulated other comprehensive income	13,232	12,631
		13,232	**12,631**
III.	**Total other equity (I+II)**	**65,761**	**56,272**
	(a) Securities premium		
	Balance at the beginning of the year	1,971	1,971
	Add : Additions made during the year	-	-
	Balance at the end of the year	**1,971**	**1,971**
	Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.		
	(b) Capital reserve on acquisition		
	Balance at the beginning of the year	3,282	3,282
	Add : Additions made during the year	-	-
	Balance at the end of the year	**3,282**	**3,282**
	(c) General reserve		
	Balance at the beginning of the year	4,283	4,283
	Add : Additions made during the year	-	-
	Balance at the end of the year	**4,283**	**4,283**
	General reserve represents an appropriation of profits by the Group, which can be utilised for purposes such as dividend payout etc.		

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2019	As at 31 March 2018
(d)	**Retained earnings**		
	Balance at the beginning of the year	34,105	19,372
	Add : Transfer from statement of profit and loss	11,357	17,044
	Less : Final dividend	(2,048)	(1,920)
	Less : Tax on equity dividend	(421)	(391)
	Balance at the end of the year	**42,993**	**34,105**
	Retained earnings comprises of prior years' undistributed earnings after taxes, which can be utilised for purposes such as dividend payout etc.		
(e)	**Accumulated other comprehensive income**		
	Balance at the beginning of the year	12,631	9,890
	Add : Movement during the year	601	2,741
	Balance at the end of the year	**13,232**	**12,631**
14	**Borrowings at amortised cost**		
	Secured		
	Term loan from bank (refer note (i) below)	4,988	-
	Finance lease obligation	-	37
		4,988	**37**
	Unsecured		
	Term loans from others (refer note (ii) below)	5,325	4,968
		5,325	**4,968**
	Total non-current borrowings	**10,313**	**5,005**
	Less: Current maturities of long-term loan from bank (included in note 17)	1,667	-
	Less: Current maturities of long-term loan from others (included in note 17)	805	8
	Non-current borrowings (as per balance sheet)	**7,841**	**4,997**

Notes:

(i) Term loan from bank is repayable in 6 equal quarterly instalments of ₹ 833 lakhs, and the first instalment is due on 27 November 2019. The term loan bears interest of 0.65 spread + 12 month marginal cost of fund based lending rate, payable quarterly under the terms of the loan. The Group has borrowed these funds specifically for the purpose of constructing a qualifying asset. Accordingly, the related borrowing costs have been capitalised as part of the cost of that qualifying asset under the heading capital work-in-progress.

(ii) The above borrowings is secured by way of first charge on the movable property, plant and equipment of the Company.

(iii) Term loan from others is repayable over 8 half yearly instalments, with the first instalment falling due on August 2019.

(iv) Reconcliation of movement of liabilities to cash flows arising from financing activities:

	Borrowings
Balance at the beginning of the year	5,005
Changes from financing cash flows	
(i) Proceeds from borrowings	5,000
(ii) Transaction costs related to borrowings	(13)
(iii) Repayment of borrowings	(37)
Total changes from financing cash flows	**4,950**
The effect of changes in foreign exchange rates	**324**
Other changes	
(i) Interest expense paid and capitalised	(43)
(ii) Interest expense calculated using effective interest method	77
Total other changes	**34**
Balance at the end of the year	**10,313**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
15 Provisions				
Provisions for employee benefits				
(i) Gratuity	571	94	551	103
(ii) Compensated absences	164	98	183	38
Provision for taxes [net of taxes paid in advance ₹ 0 (31 March 2018: ₹ 7,283 lakhs)]	-	25	-	194
	735	**217**	**734**	**335**

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 Holding Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

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

	As at 31 March 2019	As at 31 March 2018
Change in present value of projected benefit obligation		
Present value of benefit obligation at the beginning of the year	654	575
Interest cost	50	39
Current service cost	57	49
Benefits paid	(67)	(42)
Actuarial (gain) / loss	(29)	33
Projected benefit obligation at the end of the year	**665**	**654**
Thereof		
Unfunded	**665**	**654**
Components of net gratuity costs are:		
Current service cost	57	49
Interest cost	50	39
Net gratuity costs recognised in the income statement	**107**	**88**
Actuarial (gain) / loss recognised in other comprehensive income	(29)	33
Principal actuarial assumptions used:		
a) Discount rate	7.41%	7.68%
b) Long-term rate of compensation increase	10.00%	10.00%
c) Average future service	7 years	7 years
d) Attrition rate	10.50%	10.50%
e) Mortality table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of rate of escalation in salary considered in actuarial valuation 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.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Employee benefits - Maturity profile

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2019	94	64	250	257	**665**
31 March 2018	103	61	217	273	654

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 2019						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	0.50%
Impact on defined benefit obligation	(8)	8	(39)	45	44	(39)
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)

ii) Compensated absences

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

Principal actuarial assumptions used :	Year ended 31 March 2019	Year ended 31 March 2018
Discount rate	7.41%	7.68%
Long-term rate of compensation increase	10.00%	10.00%
Average remaining life	7 years	7 years
Attrition rate	10.50%	10.50%

		As at 31 March 2019	As at 31 March 2018
16	**Trade payables**		
	(i) Total outstanding due to micro, small and medium enterprises (Also, refer note below)	30	39
	(i) Total outstanding dues other than micro enterprises & small enterprises	27,035	11,240
		27,065	**11,279**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

According to information available with the management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Holding Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows :

		As at 31 March 2019	As at 31 March 2018
i)	Principal amount remaining unpaid	30	39
ii)	Interest paid by the Holding Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv)	The amount of interest due accrued and remaining unpaid at the end of each accounting year.	0.43	0.26
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.	0.43	0.26
17	**Other financial liabilities**		
	Current maturities of long-term loan from bank (Also, refer note 14)	1,667	-
	Current maturities of long-term loan from others (Also, refer note 14)	805	8
	Employee related payables	283	678
	Capital creditors	1,231	365
	Directors remuneration payable (Refer note 32[c])	307	367
	Unpaid dividend	37	37
	Other payables (Refer note 32[c])	373	469
	Total financial liabilities	**4,703**	**1,924**

Notes:

(i) Unpaid dividend included above represent amounts to be credited to the Investors Education and Protection Fund as and when they become due. There are no delays in transferring the amounts due for payment to the Investor education and protection fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

(ii) Unpaid interest on matured deposits included in Other payables is ₹ 13 lakhs (31 March 2018 : ₹ 14 lakhs). Also, refer note 10.

(iii) The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 19.

18	**Other current liabilities**		
	Deposits from service providers	42	47
	Statutory dues	205	629
	Advances from customers	562	185
	Other payables	12	13
		821	**874**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

19 Disclosures on financial instruments

I. Financial instruments by category

	As at 31 March 2019			As at 31 March 2018		
	Amortised cost	**FVTPL**	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**
Financial assets						
Investments						
-Equity instruments*	-	-	9,191	-	-	8,943
-Mutual funds	-	5,834	-	-	1,453	-
Trade receivables	11,272	-	-	11,944	-	-
Cash and bank balances	5,843	-	-	4,734	-	-
Foreign currency options contracts	-	151	-	-	5	-
Other financial assets	358	-	-	380	-	-
Total financial assets	**17,473**	**5,985**	**9,191**	**17,058**	**1,458**	**8,943**
Financial Liabilities						
Borrowings	10,313	-	-	5,005	-	-
Trade payables	27,065	-	-	11,279	-	-
Other financial liabilities	2,231	-	-	1,916	-	-
Total financial liabilities	**39,609**	**-**	**-**	**18,200**	**-**	**-**

*Represents the equity securities which are not held for trading, and for which the Group has made an irrecovable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Group considers this to be more relevant.

II. Fair value heirarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows the levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2019:

		As at 31 March 2019		
		Fair value measurement using		
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets measured at fair value:				
FVOCI financial investments				
Quoted equity instruments	**9,191**	9,191	-	-
FVTPL financial investments				
Mutual funds	**5,834**	-	5,834	-
Derivative financial assets				
Options	**151**	-	-	151

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	As at 31 March 2018			
		Fair value measurement using		
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
FVOCI financial investments				
Quoted equity instruments	**8,943**	8,943	-	-
FVTPL financial investments				
Mutual funds	**1,453**	-	1,453	-
Derivative financial assets				
Options	**5**	-	-	5

Notes:

(i) **Level 1:** level 1 heirarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

(ii) **Level 2:** level 2 heirarchy includes mutual funds. The mutual funds are valued using the closing NAV provided by the fund management company at the end of each reporting year.

(iii) **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for:

- *Foreign currency options contract* - the fair value of options contracts is determined using the Black Scholes valuation model.

(iv) The Group has not disclosed the fair values for loans, cash and bank balances, trade receivables, other financial assets, trade payables, and other financial liabilities because their carrying amounts are a reasonable approximation to the fair value.

(v) There have been no transfers between levels 1 and 2 during the year.

III. Financial risk management

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Group's senior management which is supported by a Treasury Team manages these risks. The Treasury Team advises on financial risks and the appropriate financial risk governance framework in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by the Treasury Team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The notes below explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Investments, trade receivables, cash and bank balances, loans, other financial assets	Ageing analysis Credit ratings	Diversification of bank deposits, and credit limits
Liquidity risk	Trade and other payables, other financial liabilities	Cash flow forecasts	Receivable management, availability of commited credit lines and borrowing facilities
Market risk - interest rate	Long term Borrowings	Sensitivity analysis	*NA*
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian Rupee (₹)	Sensitivity analysis	Forward foreign exchange contracts Foreign currency options
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

A. Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The carrying amounts of financial assets represent the maximum credit exposure. 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.

Trade receivables and loans

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

Loss allowance for trade receivables are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Cash and bank balances and investments

The credit risk for cash and cash equivalents, fixed deposits and mutual funds are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets

Other financial assets mainly comprises of 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.

B. Liquidity risk

Liquidity risk is that the Group will not be able to meet its obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required. The treasury team's risk management policy includes an appropriate liquidity risk management framework for the management of the shortterm, medium-term and long term funding and cash management requirements. The Group manages the liquidity risk by maintaining adequate cash reserves, committed credit facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no / negligible mark to market risks.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within 60 - 90 days based on the credit period.

The following are the remaining contractual maturities of financial liabilities at the reporting date:

	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
As at 31 March 2019				
Borrowings	-	2,528	8,550	-
Trade and other payables	27,065	-	-	-
Other financial liabilities	2,231	-	-	-
Total	**29,296**	**2,528**	**8,550**	**-**
As at 31 March 2018				
Borrowings		-	4,997	
Trade and other payables	11,279	-	-	-
Other financial liabilities	1,916	-	-	-
Total	**13,195**	**-**	**4,997**	**-**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign exchange risk, and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Group's main exposure to interest risk arises from long term borrowing with floating rate. The Group does not have any derivatives to hedge its interest rate risk exposure as at 31 March 2019.

Interest rate sensitivity analysis

The table below summarises the impact of increases / decreases of the interest rates at the reporting date, on the Group's equity and profit for the period. The analysis is based on the assumption of +/- 1% change.

	Profit before tax		Equity before tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
As at 31 March 2019				
Term loan from bank	4	(4)	4	(4)
As at 31 March 2018				
Term loan from bank	-	-	-	-

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which revenues and purchases are denominated, and the respective functional currency of the Group Companies. The functional currency of the Group Companies are primarily the Indian Rupee (₹) and US Dollars ($). The currency in which these transactions are primarily denominated are in Indian Rupee (₹), US dollars (USD) and Euro (EUR).

Derivative financial instruments

The Group holds foreign currency options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on Black Scholes model. Options contracts are mainly entered into for net foreign currency exposures that are not expected to be offset by other same currency transactions.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

	31 March 2019			31 March 2018		
	USD	**EUR**	**JPY**	**USD**	**EUR**	**JPY**
Financial assets						
Trade receivables	845	49	-	648	28	-
Cash and bank balances	206	-	-	-	-	-
Other financial assets	25	-	-	-	-	-
Financial liabilities						
Trade and other payables	958	178	71	42	-	-
Other financial liabilities	23	52	-	-	-	-
Net assets / (liabilities)	**96**	**(181)**	**(71)**	**606**	**28**	**-**

The details in respect of outstanding foreign currency options contracts are as follows:

	31 March 2019		31 March 2018	
	USD in Millions	**INR in Lakhs**	**USD in Millions**	**INR in Lakhs**
Options contract in USD	5.2	3,597	3.3	2,146

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

The foreign exchange options contracts mature within 12 months. INR figures above have been calculated based on spot rates as at the reporting periods. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the Balance Sheet date *(amount in millions of USD)*:

	As at 31 March 2019	As at 31 March 2018
Not later than one month	1.1	0.9
Later than one month and not later than three months	2.7	1.8
Later than three months and not later than one year	1.4	0.6

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee (₹) against USD and EUR at 31 March would have affected the measurement of financial instruments denominated in such foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and also assumes a +/- 1% change of the INR / USD exchange rate and INR / EUR exchange rate at 31 March 2019 (31 March 2018: 1%). If the INR had strengthened against the USD by 1% during the year ended 31 March 2019 (31 March 2018: 1%) and EUR by 1% during the year ended 31 March 2019 (31 March 2018: 1%) respectively then this would have had the following impact profit before tax and equity before tax:

	Profit before tax		Equity before tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
As at 31 March 2019				
USD	19	(19)	19	(19)
EUR	2	(2)	2	(2)
JPY	1	(1)	1	(1)
As at 31 March 2018				
USD	(37)	37	(37)	37
EUR	-	-	-	-
JPY	-	-	-	-

Price risk

Equity price risk is related to the change in market price of the investments in quoted equity securities. The Group's exposure to equity security prices arises from investments held by the Group and classified in the balance sheet as FVOCI. In general, these investments are strategic investments and are not held for trading purposes. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis.

Sensitivity analysis

	Profit before tax		Equity before tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
As at 31 March 2019				
Quoted equity securities	92	(92)	92	(92)
As at 31 March 2018				
Quoted equity securities	89	(89)	89	(89)

	Year ended 31 March 2019	Year ended 31 March 2018
20 Revenue from operations		
Sale of products		
Manufactured goods	1,24,102	1,32,873
Traded goods	919	16
Gross sales	**1,25,021**	**1,32,889**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
	Other operating revenues, net		
	Sales of power from wind operated generators	164	149
	Income from letting out of storage facility	348	317
	Duty drawback benefit	107	199
	Export incentive	350	137
	Sale of scrap (net of taxes recovered)	114	65
		1,083	**867**
		1,26,104	**1,33,756**
21	**Other income**		
	Interest Income (Gross)	153	147
	Dividend Income from investments	367	397
	Profit on sale of assets (net of loss on sales / scraping of asset)	-	6
	Rent received	43	40
	Excess provisions / Sundry balances written back (net)	73	4
	Insurance claims	367	21
	Gain or loss on fair valuation of derivatives	69	-
	Miscellaneous receipts	79	62
		1,151	**677**
22	**Cost of materials consumed and purchase of stock-in-trade**		
	Inventory at the beginning of the year	8,944	9,762
	Add : Purchases during the year	88,421	75,208
		97,365	84,970
	Less: Inventory at the end of the year	13,894	8,944
		83,471	**76,026**
	Purchase of stock-in-trade		
	Purchase of machinery spares and other chemicals	1,027	29
		1,027	**29**
23	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Opening stock		
	Finished goods	1,438	3,236
	Work-in-progress	669	1,044
	Stock of trading items	80	88
		2,187	**4,368**
	Closing stock		
	Finished goods	2,526	1,438
	Work-in-progress	1,261	669
	Stock of trading items	72	80
		3,859	**2,187**
	Changes in inventories	**(1,672)**	**2,181**
24	**Employee benefits expenses**		
	Salaries & Wages	3,958	4,809
	Gratuity expense (Also, refer note 15)	107	88
	Contribution to provident fund and other funds	306	316
	Staff welfare expenses	192	167
		4,563	**5,380**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
25	**Finance costs**		
	Interest expense	664	614
	Other borrowing costs	553	669
		1,217	**1,283**
26	**Other expenses**		
	Stores and spares consumed	999	1,659
	Power and fuel	5,374	3,646
	Repairs to:		
	Machinery	1,655	1,379
	Buildings	320	188
	Others	19	36
	Packing expenses and materials consumed	1,401	1,490
	Freight and forwarding	5,052	5,721
	Commission and brokerage	133	182
	Rent	237	209
	Rates and taxes	220	279
	Insurance	291	259
	Travelling and conveyance	324	506
	Communication expenses	69	68
	Research and development expenses (Also, Refer note 31)	336	305
	Expenses on wind operated generators	56	37
	Legal and professional charges (Also, Refer note 29)	473	498
	Commission to Non-Executive Directors (Also, Refer note 32)	142	147
	Provision for expected credit loss	4	221
	Corporate social responsibility expenditure (Also, Refer note 30 & 32)	208	202
	Donation	35	44
	Loss on foreign currency transaction / translation (net)	110	680
	Miscellaneous expenses	670	863
		18,128	**18,619**
27	**Earnings per equity share (EPS)**		
	Basic and diluted earnings per share (₹)		
	On profit for the year	11.09	16.65
	On total comprehensive income	11.68	19.32
	Notes:		
	The earnings and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows:		
	(a) Earning used in the calculation of basic and diluted earnings per share:		
	Profit for the year	11,357	17,044
	Total comprehensive income	11,958	19,785
	(b) Weighted average number of equity shares used in the calculation of basic and diluted earnings per share:		
	Weighted average number of equity shares outstanding during the year	10,23,88,120	10,23,88,120
	(c) In the annual general meeting held on 24 May 2018, the shareholders of the Holding Company approved for splitting the authorised share capital of 15,000,000 equity shares of ₹ 10 in to 150,000,000 equity shares of ₹ 1 each. Consequently, the earnings per share has been restated for the earlier period presented.		

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2019	Year ended 31 March 2018
28	**Leases**		
	Disclosures in respect of non-cancellable operating leases		
	Total lease payments pertaining to non cancellable leases	46	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 :		
	Not later than 1 year	-	8
	Due later than one year and not later than five years	-	24
	Due later than five years	-	-
	Total	**-**	**32**
	Less : Amount representing finance charges	-	(3)
	Present value of minimum lease payments	**-**	**29**
29	**Payments to auditor**		
	As auditor		
	Statutory audit	23	18
	Limited review	9	7
	Tax audit	3	3
	Others	4	2
	Total	**39**	**30**
30	**Expenditure on Corporate Social Responsibility (CSR)**		
	(a) Gross amount required to be spent by the Holding Company during the year	271	136
	(b) Amount spent during the year on		
	(i) Construction / acquisition of any asset	-	-
	(ii) On purposes other than (i) above	208	202
	(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.		
32	**The Holding Company has spent towards Research and Development expenses during the year which are as under**		
	Capital expenditure*	285	218
	Revenue expenditure (Also refer note 26)	336	305
		621	**523**

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

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

32 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 (Whole-time Director and Chief Financial Officer) Mr. C.G Sethuraman (Chief Executive Officer) Mr. P Mohana Chandran Nair (Executive Director) 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. Dhruv Moondhra (Independent Director) Mr. R. Sampath (Non - Executive Director) Mr. Rajeev M Pandia (Additional Director) (Appointed with effect from 01 August 2018)
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 2019	Year ended 31 March 2018
Remuneration to Key Managerial Personnel	Mr. R.Parthasarathy	327	377
	Mrs. Ramya Bharathram	140	143
	Mr. P Mohana Chandran Nair	57	54
	Key Managerial Personnel other than Directors	274	327
Director sitting fees	Independent Directors	39	42
Commission	Non - Executive Directors	125	125
Leasehold land and related other charges	Ultramarine and Pigments Limited	1,194	-
Rendering of Services	Ultramarine and Pigments Limited	46	36
Receipt of Services	Ultramarine and Pigments Limited	9	21
	Thirumalai Charity Trust	8	6
Donation given	Thirumalai Charity Trust	200	200

c) Balances with related parties

Particulars	Related Party	As at 31 March 2019	As at 31 March 2018
Trade receivables	Ultramarine and Pigments Limited	-	7
Capital advances	Ultramarine and Pigments Limited	-	136
Deposits payable	Ultramarine and Pigments Limited	14	14
Director's remuneration payable (Including commission to Non-Executive Directors)	Key Managerial Personnel	307	367

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

33 Additional information required by Schedule III

Name of entity in the Group	Net assets		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	₹ in Lakhs	As a % of consolidated profit or loss	₹ in Lakhs	As a % of consolidated other comprehensive income	₹ in Lakhs	As a % of consolidated total comprehensive income	₹ in Lakhs
Holding Company								
Thirumalai Chemicals Limited								
31 March 2019	87%	58,195	85%	9,609	-65%	(392)	77%	9,217
31 March 2018	90%	51,448	84%	14,399	97%	2,666	86%	17,065
Subsidiaries								
Cheminvest Pte. Ltd								
31 March 2019	7%	4,419	-2%	(220)	0%	-	-2%	(220)
31 March 2018	8%	4,360	0%	36	0%	-	0%	36
Lapiz Europe Ltd								
31 March 2019	0%	29	0%	13	0%	-	0%	14
31 March 2018	0%	13	0%	14	0%	-	0%	14
Optimistic Organic Sdn Bhd								
31 March 2019	25%	17,006	17%	1,918	0%	-	16%	1,918
31 March 2018	25%	14,208	17%	2,708	0%	-	14%	2,708
Eliminations								
31 March 2019	-19%	(12,864)	0%	36	165%	993	9%	1,029
31 March 2018	-23%	(12,733)	-1%	(113)	3%	75	0%	(38)
Total								
31 March 2019	**100%**	**66,785**	**100%**	**11,357**	**100%**	**601**	**100%**	**11,958**
31 March 2018	100%	57,296	100%	17,044	100%	2,741	100%	19,785

34 Contingent liabilities, commitments and guarantees	**As at 31 March 2019**	**As at 31 March 2018**
(A) Commitments		
Estimated amount of contracts to be executed on capital account and not provided for	4,906	14,694
- Against which advances paid	402	1,424
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)	176	159
Income tax demand including interest contested in Appeal (Refer note (ii) below)	565	462

(i) The Sales-tax authorities have issued notices to the Holding Company whereby the authorities have disputed the method of availment of deferral sales tax on monthly pro-rata basis for the period April 2000 to April 2006 amounting to ₹ 84 Lakhs (Previous year ₹ 84 Lakhs). The Holding Company has filed a writ petition against these notices in the High Court. The Holding Company does not expect any liability to crystallize on this account. Further, no provision has been made in respect of disputed demands from Sales-tax Authorities to the extent of ₹ 91 Lakhs (Previous Year ₹ 75 lakhs) since the Holding Company has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous. Against the above, the Holding Company has already paid ₹ 19 Lakhs (Previous year ₹ 19 lakhs).

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

(ii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹ 565 Lakhs (Previous Year ₹ 462 Lakhs) since the Holding Company has reasons to believe that it would get relief at the appellate stage as the said demands are excessive and erroneous. Against the above, the Holding Company has already paid ₹ 454 Lakhs (Previous year ₹ 281 Lakhs).

35 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 Company. Accordingly, the Group has a single reportable segment. Within the single reportable segment of sale of organic chemicals, a single customer contributes to 13% of the Group's revenue from operations, amounting to ₹ 15,757 Lakhs.

36 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2019) and the report release date (06 May 2019) except for proposed dividend as disclosed in note 11.

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 06 May 2019

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

R Parthasarathy
Managing Director
(DIN : 00092172)

R Ravi Shankar
Independent Director
(DIN : 01224361)

C G Sethuram
Chief Executive Officer

Ramya Bharathram
Whole Time Director and
Chief Financial Officer
(DIN : 06367352)

T Rajagopalan
Company Secretary
(FCS: 3508)

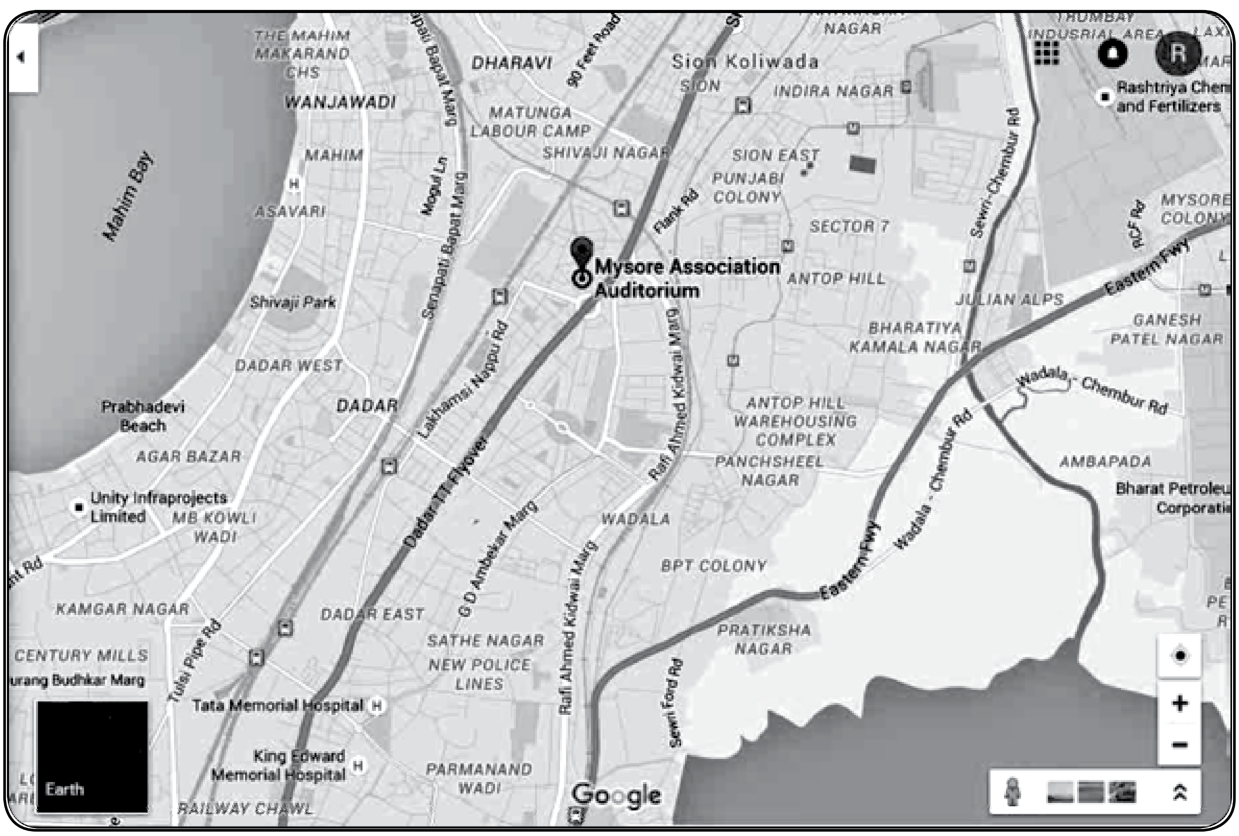
Place : Chennai
Date : 06 May 2019

FINANCIAL HIGHLIGHTS (STANDALONE)

₹in Million

Particulars	18-19	17-18	16-17	15-16	14-15	13-14	12-13	11-12	10-11	09-10
Share Capital	102.4	102.4	102.4	102.4	102.4	102.4	102.4	102.4	102.4	102.4
Reserves & Surplus	5,717.2	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
Networth	5,819.6	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
Fixed Assets(net)	3,299.8	1,856.1	1,549.4	767.8	747.4	801.6	928.3	1,031.7	1,025.5	1,111.1
Sales / Other Income	10,084.7	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
Gross Profit / (loss)	1,689.6	2,390.0	1,403.0	915.5	596.5	610.7	1,091.2	719.9	701.9	703.3
Interest / Finance Charges	107.1	109.3	145.5	209.7	331.1	454.2	520.2	523.7	175.1	199.4
Depreciation	151.7	103.9	140.2	65.7	70.1	122.1	128.7	138.1	133.9	123.6
Current Tax	444.9	737.5	381.1	238.1	54.8	26.0	188.4	34.6	51.1	66.5
Deferred Tax	25.0	(0.40)	(4.9)	25.3	1.5	27.3	23.6	24.4	71.0	120.3
Net Profit / (Loss)	960.9	1,439.9	741.3	427.3	142.0	35.7	277.5	47.8	185.5	258.6
Dividend (incl.tax)	246.9	246.9	231.1	123.2	49.3	-	89.4	-	-	59.7
Dividend (%)	200.0	200.0	187.5	100.0	40.0	-	75.0	-	-	50.0
Earnings Per Share having a face value of Re.1/- (*Revised)	9.38*	14.06*	7.24*	4.17*	1.39*	0.35*	2.71*	0.47*	1.81*	2.53*

Route Map to the Venue of Forty Fourth AGM



THIRUMALAI CHEMICALS LTD.

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

Forty Sixth Annual General Meeting on July 25, 2019

FORM NO. MGT - 11

PROXY FORM

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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 **46th Annual General meeting** of the Company, to be held on the **July 25, 2019 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, 2019.
2. To declare dividend for the Financial Year ended March 31, 2019.
3. Re-appointment of Mr. R. Sampath (DIN 00092144) who retires by rotation.
4. Re-appoint Mr. R. Parthasarathy as Managing Director.
5. Continuation of Directorship of Mr. R. Sampath, Non-Executive Director.
6. Re-appoint Mr.N.Subramanian as an Independent Director.
7. Re-appoint Mr. R.Ravi Shankar as an Independent Director.
8. Re-appoint Mr. Raj Kataria as an Independent Director.
9. Re-appoint Mr. Dhruv Moondhra as an Independent Director.
10. Appoint Mr. Rajeev M. Pandia as an Independent Director.
11. To ratify the remuneration of Cost Auditor for Financial Year 2019-20.

Revenue Stamp of Re. 1/-

Signed this __________day of _____________2019

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

46th Annual General Meeting on Thursday, July 25, 2019

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 46th Annual General meeting of the Company held on July 25, 2019 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 year 2018-2019 has been the glorious year for all Vedavallians as it is the celebration of the Silver Jubilee. To commemorate the completion of 25 years of the Akshaya Vidya Trust, various community outreach programmes were conducted by teachers and students. The celebration started with a grand Mass Rally on the project titled "My Town My Pride" on 23rd December 2017. Around 500 students along with alumni, teachers, and parents took the pride of walking 5 km from Arignar Anna Arts College to Gudimallur village projecting the awareness about knowing and preserving our town's heritage.

A project display and presentation on "Legacy of Walajah Road Railway Station" was organized on 11th April 2018. Middle school children presented the history and the development of the Walajah Railway station. Neighbouring schools and the local residents visited the project.

A Walk Through Heritage was a part of the celebration where Art and Craft exhibition was held for four days in Alwarpet, Chennai, highlighting the heritage of the three towns – Walajapet, Arcot, and Ranipet. Children exhibited paintings, sketches, and models of eight sites from the three towns – Artifacts at Arcot Museum, Walajah Town plan, Gudimallur Bhumeeshwar temple, Walajah Railway Station, Nawlakh Bagh, Delhi gate, Green Stone Mosque, and Kanchangiri hills. Articles about the Art and Craft exhibition were published in various dailies.

Another event of the celebration was the three-day conference held in the campus in the month of June 2018. The sole purpose of the event was to promote social and cultural diversity through education. Eminent personalities facilitated sessions providing insights into different approaches on learning and "change", a need in Education.

An Alumni get together was organized on 13th January 2019. Around 400 Alumni and 50 ex-staff took part in the event. The silver jubilee celebration and achievements of the school were projected which ignited the students to come back and render some kind of service to the school and community.

Sports play a vital role in shaping the children for the future. This year, children took part in district and national level inter-school games and events and bagged Ist and IInd places in Chess, Football, Javelin throw, Kabaddi, and Badminton. This added credit to the school's achievement.

The school always caters to Joy of Doing in Lower Primary, Activity-Oriented Learning in Upper Primary, and Learning by Doing in Middle School. The school brings in new programmes every year and has started Online supplementary programmes for Math, Science and English that caters to the interests of children who excel in academics. These programmes kindle the academic skills in children. The middle and higher secondary children are exposed to self-learning. Children have fairly done well in their Board Exams. Out of 79 children in class X, 18 have obtained a cumulative grade of 10/10. A total of 39 children have obtained a cumulative grade point 9 and above. One child in class XII has scored centum in Business Maths.

The school is always eager to bring in the best in children, to prepare them for the future and make them responsible citizens with good values.

Please visit our website www.vedavallividyalaya.org

Thirumalai Charity Trust

Ranipet

"Social responsibility of business is not optional, but obligatory"

This belief was the foundation for Thirumalai Charity Trust (TCT) in 1970. In its journey of nearly 5 decades, the TCT has implemented many projects and pioneered many initiatives in Health, Education, Women Empowerment, Disability, Veterinary care, De-addiction, and many more, mainly villages around Ranipet.

Enjoying the goodwill in the villages, counting on the involvement of its many health volunteers, women in self-help groups, entrepreneurs, treated patients, treated alcoholics, differently abled people and their families who have been a part of TCT's programmes, the Thirumalai Mission Hospital (TMH) was founded, Ranipet, in April 2010 as a non-profit organization.

The basic thrust of the hospital is to provide excellent and affordable healthcare in General Medicine, Emergency, Intensive Medical Care, General Surgery, Obstetrics & Gynaecology, Paediatrics, Orthopaedics, E.N.T., and Dentistry. The hospital has a very good laboratory, radiology, and physiotherapy facilities. In addition, the hospital has been conducting a successful De-addiction and Rehabilitation programme for alcohol-dependent patients. TMH envisions to provide comprehensive healthcare with first-class facilities and services in Ranipet for all the healthcare needs of Ranipet and surrounding villages. It has the potential to grow to be a premier medical institution with an added emphasis on education and research. It is currently operating with 40 beds, and it is poised to become a 100-bed facility. The hospital is established with NABH accreditation.

The main strength of this community hospital is a committed network of multi-purpose assistants and family care volunteers who follow up with the families and provide health education and basic medical services. With a deeply entrenched network in 315 villages, directly serving 35,000 families and 160,000 people, the hospital has pioneered community-based care and management programs for a gamut of non-communicable diseases such as diabetes, hypertension, osteoporosis, obesity, alcoholism, tobacco use, and common cancers, and has built an impressive record. The model has received recognition from good healthcare institutions.

- ☐ At the hospital, we have treated 28,250 out-patients and 920 in-patients.
- ☐ In the many camps and care programmes for the community, nearly 12,000 patients were served.
- ☐ In the cancer screening programme for women, we have reached more than 8000 women, and in oral cancer screening, we have covered around 2400 persons. We have screened more than 6000 elderly persons for osteoporosis of whom 2200 are on treatment. In diabetes and hypertension care and management programmes, nearly 1400 have benefited. The people in these long-term healthcare programmes are showing significant improvement with control of their conditions.
- ☐ We have thus far treated nearly 350 alcoholics and among those who have completed more than one year of treatment, 66% have abstained from alcohol and are showing good recovery.
- ☐ The recently setup dialysis facility is proving to be a valuable addition.
- ☐ The building expansion above the emergency block is nearing completion.

We are fortunate to have the support of your company and many other donors who are recognizing the value of our services. We invite you to join us on our Mission. Kindly visit us at

Kindly visit our websites:
http://thirumalaimissionhospital.org/&http://thirumalaicharitytrust.org/